DOCUMENT RESUME

ED 080 714 VT 021 004

AUTHOR	Douty, H.M.
TITLE	Labor Law and Practice in Great Britain.
INSTITUTION	Bureau of Labor Statistics (DOL), Washington, D.C.
REPORT NO	BLS-R-409
PUB DATE	72
NOTE	89p.
EDRS PRICE	MF-$0.65 HC-$3.29
DESCRIPTORS	*Employment Practices; *Foreign Countries; Human Resources; Industrial Relations; Labor Conditions; Labor Demands; *Labor Economics; *Labor Laws; *Labor Legislation; Labor Market; Management; Manpower Needs
IDENTIFIERS	*Great Britain

ABSTRACT

This 4-part report is one of a series prepared to provide background material for United States businessmen and others employing local workers abroad, trade union and labor specialists, consulting economists, and students. The data used were obtained from personnel in London's Departments of Employment, Health and Social Security, the Commission on Industrial Relations from British trade union officials, persons in the Ministry of Health and Social Services, and the Ministry of Community Relations in Belfast, Northern Ireland. Contained in the report are: (1) an overview of the geographical, political, cultural, social, and economic factors characteristic of the country and its workers as well as its manpower resources, (2) a discussion of governmentally instituted labor laws and their effect on labor, (3) a detailed summary of existing problems in labor management and industrial relations, and (4) a description of existing employment conditions in Great Britain. A selected bibliography, tables, charts, and established labor laws supplement the text. (Author/SN)

FILMED FROM BEST AVAILABLE COPY

Labor Law and Practice in GREAT BRITAIN

BLS REPORT 409
U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics

ED 080714

VT 021 004

Labor Law and Practice in GREAT BRITAIN

BLS REPORT 409

U.S. DEPARTMENT OF LABOR
J. D. Hodgson, Secretary

Bureau of Labor Statistics
Geoffrey H. Moore, Commissioner
1972

U S DEPARTMENT OF HEALTH
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION
THIS DOCUMENT HAS BEEN REPRO
DUCED EXACTLY AS RECEIVED FROM
THE PERSON OR ORGANIZATION ORIGIN
ATING IT POINTS OF VIEW OR OPINIONS
STATED DO NOT NECESSARILY REPRE
SENT OFFICIAL NATIONAL INSTITUTE OF
EDUCATION POSITION OR POLICY

ED 080714

Preface

This report is one of a series prepared in the Division of Foreign Labor Conditions, Bureau of Labor Statistics. The series is intended to provide background material for United States businessmen and others who may be employing local workers abroad, trade union and labor specialists, consulting economists, and students. Hopefully, the report also will be useful to persons concerned in more general ways with labor in foreign countries.

This broad survey of labor conditions and of labor and social security legislation in Great Britain clearly is not intended to be exhaustive, but rather to provide a general guide. The study was prepared largely during the first half of 1971 before the passage by Parliament of the Industrial Relations Act, which involves significant changes in the legal framework of the British industrial relations system. A summary of the main provisions of the Industrial Relations Act, 1971, however, has been incorporated in chapter VIII. Enabling legislation for Britain's entry into the European Economic Community was enacted after the completion of the study.

Because of the special constitutional position of Northern Ireland within the United Kingdom, labor conditions in that area are considered briefly in appendix B.

Statistics in some cases are available only for the United Kingdom as a whole rather than for Great Britain separately. Northern Ireland, because of its small population and labor force, has comparatively little weight in data that of necessity must be shown for the United Kingdom.

The report was prepared by H. M. Douty, formerly Assistant Commissioner for Wages and Industrial Relations, Bureau of Labor Statistics, and presently visiting Professor of Industrial and Labor Relations, Cornell University.

In gathering information for this report, the author received generous assistance from London officials in the Department of Employment, the Department of Health and Social Security, and the Commission on Industrial Relations; from officials in the Ministry of Health and Social Services and the Ministry of Community Relations in Belfast, Northern Ireland; and from British trade union officials and management representatives. Needless to say, they have no responsibility for any errors of fact or interpretation that the study may contain.

In this report, British currency was converted to dollars at the rate of exchange (£1 = US$2.40) existing before the new rates of exchange announced on December 19, 1971. The new par of exchange is £1 = US$2.60.

Contents

	Page
Part I. The country and its workers	1
Chapter I. Geographic, political, and economic factors	1
Geographic setting	1
Political history and government	1
The national economy	4
Chapter II. Cultural factors	7
Ethnic and linguistic groups	7
Religion	7
Chapter III. Social factors	8
The nature of the society	8
Education and training	10
Living conditions	14
Health conditions	16
Women and children	16
Chapter IV. Manpower resources	17
Population and labor supply	17
National service system	20
Special characteristics of the work force	20
Part II. Government and labor	23
Chapter V. Government	23
Public administration	23
Administrative bodies concerned with labor	24
Participation in international organizations	27
Chapter VI. Legislation affecting labor	27
Constitutional guarantees	27
Summary of basic labor legislation	27
Enforcement	29
Part III. Labor and management	30
Chapter VII. Labor and management organizations	30
Labor organizations	30
International ties	33
Management organizations	34
Chapter VIII. Industrial relations	35
Collective bargaining	35
Settlement of disputes	39
Industrial Relations Act, 1971	42
Relations in nonunion enterprises	46
Part IV. Conditions of employment	47
Chapter IX. Employment practices	47

Contents—Continued

	Page
Part IV. Conditions of employment—Continued	
Records and reports	47
Preemployment inquiries	47
Hiring	48
Notice periods and separations	49
Disciplinary actions	50
Chapter X. Hours of work and premiums	50
Hours of work	50
Nightwork	52
Overtime premium	52
Paid leave	53
Periodic rest day premium	53
Holiday premium	53
Chapter XI. Wages and supplemental payments	54
Base pay	54
Some elements of wage structure	55
The distribution of earnings	56
Average earnings by industry and occupation	57
Supplemental payments	60
Withholdings and deductions	60
Pay changes	61
Travel and transportation expenses	62
Total compensation and costs	62
Pay period frequency	64
Chapter XII. Health, safety, and workmen's compensation	64
Health and sanitation	64
Safety conditions and required precautions	65
Safety inspectorates	66
Accident and occupational disease compensation	66
Chapter XIII. Social insurance, family allowances, and the National Health Service	68
Social insurance	68
National insurance system	69
Family allowances	72
Supplementary benefits	73
National Health Service	74
Other insurance and retirement systems	75
Appendixes:	
A. Major labor and social security legislation in Great Britain	76
B. Northern Ireland	78
C. United Kingdom Decimal Currency	84
Selected bibliography	85
Tables:	
1. Gross national product by industry, selected years, 1960–69	4
2. United Kingdom: Indexes of output at constant factor cost, total economy and manufacturing, 1960–69	5

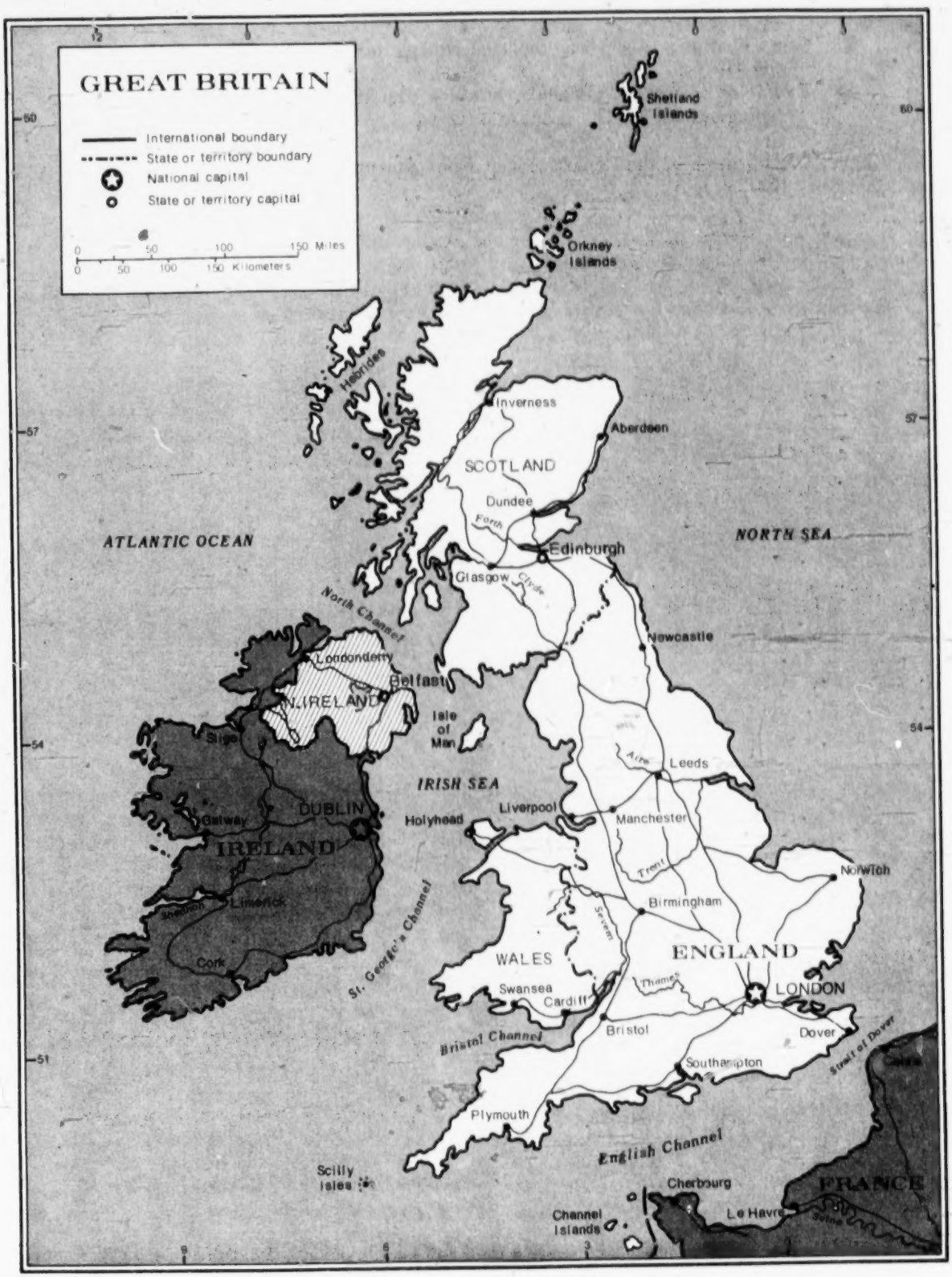
Contents—Continued

	Page
3. Percent distribution of average weekly household expenditures, 1969	15
4. Great Britain: Home population, 1961 and 1970	17
5. Great Britain: Age distribution of home population, 1970	17
6. Great Britain: Working population, March 1970	18
7. Great Britain: Distribution of employees by industry group, June 1969	18
8. Great Britain: Distribution of employees by manufacturing industry group, June 1969	19
9. Great Britain: Percentage distribution of employment in engineering and related industries by occupational groups, May 1969	19
10. Great Britain: Unemployment rates, 1960–70	19
11. United Kingdom: Number of unions and union membership, 1960–70	30
12. United Kingdom: Distribution of trade unions by size, 1970	31
13. United Kingdom: Ten largest trade union affiliates of Trades Union Congress, 1970	31
14. United Kingdom: Work stoppages, 1960–70	39
15. Great Britain: Percentage distribution of full-time workers by normal weekly hours of work, April 1970	51
16. Great Britain: Percentage distribution of full-time workers by weekly hours worked, April 1970	51
17. United Kingdom: Average weekly hours worked by full-time adult manual workers, by industry group, October 1970	52
18. Great Britain: Average gross weekly earnings for unskilled male workers as a percent of the level for skilled male workers, selected industries, April 1970	56
19. Great Britain: Percent distribution of adult full-time employees by gross weekly earnings, sex, and occupational category, April 1970	56
20. Great Britain: Percent distribution of employees by gross weekly earnings, April 1970	57
21. Great Britain: Average weekly and hourly earnings, and average hours worked, full-time blue-collar workers, manufacturing and selected nonmanufacturing industries, October 1970	57
22. Great Britain: Gross average weekly earnings, adults paid for full week, selected occupations, April 1970	58
23. Annual pay of top executives in British industry, 1968	59
24. United Kingdom: Indexes of basic wage rates, hours of work, earnings, and salaries, 1960–71	61
25. United Kingdom: Indexes of real average weekly earnings for manual workers, real average salaries, and retail prices, 1960–70	62
26. Great Britain: Percentage distribution of average labor costs per employee, 1968	63

Page

27. Great Britain: Accidents reported under the Factories Act, 1966–70 66
28. Examples of weekly national insurance contributions effective September 20, 1971 69

Chart: Organization of the Department of Employment as of February 1971 25


GREAT BRITAIN
International boundary
State or territory boundary
National capital
State or territory capital
0 50 100 150 Miles
0 50 100 150 Kilometers
Shetland Islands
Orkney Islands
Hebrides
Inverness
Aberdeen
SCOTLAND
Dundee
Forth
Edinburgh
Glasgow
Clyde
ATLANTIC OCEAN
NORTH SEA
North Channel
Londonderry
Belfast
N.IRELAND
Isle of Man
Sligo
Newcastle
Aire
Leeds
IRISH SEA
Liverpool
Holyhead
Manchester
DUBLIN
Galway
IRELAND
Trent
Norwich
Limerick
Shannon
Birmingham
Severn
St. George's Channel
WALES
ENGLAND
Cork
Swansea
Cardiff
Thames
LONDON
Bristol Channel
Bristol
Dover
Strait of Dover
Southampton
Plymouth
English Channel
Scilly Isles
Cherbourg
FRANCE
Channel Islands
Le Havre
Seine
12
9
6
3
60
57
54
51

PART I. THE COUNTRY AND ITS WORKERS

Chapter I. Geographic, Political, and Economic Factors

Geographic Setting

Great Britain proper, comprising England, Wales, and Scotland is an island lying off the northwest coast of Europe. Numerous small islands, chiefly in the Hebrides, Orkneys, and Shetland groups off the coast of Scotland, are within its jurisdiction. The Isle of Man in the Irish Sea, and the Channel Islands between England and France, technically are Crown dependencies, but have a large measure of administrative autonomy, as their ancient legislatures handle domestic matters. Northern Ireland, which together with Great Britain forms the United Kingdom, also has its own Parliament with power to legislate on most domestic subjects.

The geology of Great Britain is exceedingly complex. There are roughly two main regions: Lowland Britain and Highland Britain. In the former are the newer and softer rocks of midland, southern, and eastern England. Highland Britain comprises Scotland, most of Wales, the broad central upland known as the Pennines, and the Lake District, and consists mainly of outcrops of very old rocks in the mountains and hilly regions. The high ground is not continuous, however, but is interspersed with valleys and plains, the top strata of which date from the carboniferous age. Here the outcrops and shallow seams of coal provided the basis for the rise of British industry. These have been largely exhausted, and most of the present deep coal workings underlie the fertile lowlands.

The soils are thin and poor over much of Highland Britain, and in many areas only the valleys and plains are cultivated. In Lowland Britain, on the other hand, most of the land outside of urban areas is farmed.

The British climate generally is mild and temperate. During a normal summer, the temperature occasionally rises above 80° F in the south; winter temperatures below 20° F are rare. Over the British Isles as a whole, rainfall averages over 40 inches annually (not much greater than for Washington, D.C.); the average for England alone is about 34 inches. The geographical distribution of annual rainfall is largely governed by topography and exposure to the Atlantic Ocean, and varies widely in different parts of the country. Rain is fairly well distributed throughout the year.

As of mid-1970, the estimated population of Great Britain was 54,187,000. Its population density is one of the highest in the world, approximately 610 persons per square mile. In England and Wales, density is about 840 persons per square mile, and in Greater London about 12,600. Demographic characteristics are discussed in some detail in chapter IV.

Political History and Government

It is peculiarly difficult briefly to describe the British system of government. No single document sets forth basic constitutional principles, and the country has no supreme judicial authority for their interpretation. The constitution of Britain is formed partly by statute, partly by common law, and partly by precepts and practices that have acquired status as usages or conventions. The rules of the constitution have never been codified; they can be adapted to changing conditions at any time by the passage of an act of Parliament or by the general acceptance of a new convention.

The continuity of its constitutional tradition is a distinctive feature of British political life. Domestic constitutional upheavals have been

singularly lacking. England has not been invaded successfully since 1066, and its form of government has not been changed by violent means since Cromwell's reign in the mid-17th century, the only break in continuity of the monarchy in over a thousand years.

The Sovereign, as head of state and, in law, the head of government as well, plays an important role socially and symbolically; for the most part, however, the conventions of the constitution prescribe a purely formal part for the Sovereign in the conduct of government.

The supreme legislative authority in Britain is the Sovereign in Parliament; that is, the Sovereign and the two Houses of Parliament. In law, the supremacy of Parliament is absolute. It can make or unmake any law; negate by statute the most firmly established convention or usage or convert a convention into binding law; legalize past illegalities; or make void and punishable what was lawful when done and thus reverse the decisions of the courts. The validity of an act of Parliament that has been duly passed, legally promulgated, and published by the proper authority cannot be disputed in the law courts. In practice, the exercise by Parliament of its great authority is not arbitrary; its members bear in mind the common law, the product of centuries, and tend insofar as possible to act in accordance with precedent and tradition.

Major legislative power resides in the elected House of Commons. A general election must be held every 5 years, but may be held at more frequent intervals, depending on the electoral strategy of the party in power or as a consequence of an adverse vote on a major policy issue. The House of Commons presently has 630 seats. The results of the most recent general election (June 18, 1970) were as follows:

Party	*Members*	*Popular vote*
Conservative	330	13,106,965
Labor	287	12,141,676
Liberal	6	2,109,218
Others	6	906,473
Speaker	1	

Effectively, as the results of the 1970 election indicate, Britain has a two-party system. While the once powerful Liberal Party still retains appreciable electoral support, its 7.4 percent of the vote in 1970 returned only 6 members (about 1 percent of the total number) to the House.

The nonelective House of Lords consists of hereditary peers and peeresses; peers and peeresses appointed for life under the Life Peerages Act, 1958; and Lords of Appeal in Ordinary (Law Lords) appointed under the terms of the Appellate Jurisdiction Act of 1876 to assist the House in the performance of its judicial duties.

Legislative measures may originate in either House, except for those dealing with finance or representation, which are always introduced in the Commons. As a rule, bills likely to result in political controversy are introduced and debated in the Commons before being sent to the Lords. Procedures for the consideration of legislation are similar in both Houses. The Lords cannot veto financial measures or, in practice, delay any other Commons bill for more than 6 months. Most legislation applies to Great Britain or to the United Kingdom as a whole, but separate acts are sometimes passed for England and Wales and for Scotland. As previously noted, Northern Ireland typically enacts legislation on domestic affairs through its own Parliament.

Executive authority in the British Government is exercised by the Prime Minister, who is appointed by the Crown and who, in practice, is the chosen leader of the party commanding a majority in the Commons, and by a Cabinet composed of ministers selected by the Prime Minister and appointed by the Crown. Departmental ministers are those in charge of government departments; other ministers may have few or no departmental duties and thus are available for such special tasks as the Prime Minister may assign. The government departments, which are staffed by civil servants, are responsible for giving effect to government policy as determined by Parliament. They may work through local authorities, statutory boards, or other organizations operating under varying degrees of government control.

The government departmental structure is complex. The work of some departments (e.g., the Board of Customs and Excise) covers the United Kingdom as a whole; other departments (e.g., the Department of Employment and Productivity) cover Great Britain only; still others (e.g., the Ministry of Housing and

Local Government) may be confined to England. Thus, although the United Kingdom is a unitary rather than a Federal state, methods of government are flexible and are adapted, in some measure, to the needs of the constituent parts of the nation. England and Wales on the one hand, and Scotland on the other, continue, as before unification, to have different systems of law, different judiciaries, different educational systems, different systems of local government, and, for most domestic matters, different government departments. In Scotland, these departments have headquarters in Edinburgh, and are grouped under the Secretary of State for Scotland, who is a member of the Cabinet. The Welsh Office, under the Secretary of State for Wales, who is also a Cabinet Minister, has considerable responsibility for the administration of Welsh affairs.

Government on a local basis has been part of the British administrative system for many centuries, and is conducted by local elected authorities. These authorities must act in accordance with, and within the limits of, powers conferred on them by Parliament. They are subject in some of their work to a measure of supervision by the central government. They are, nevertheless, independent bodies and discharge their responsibilities in their own right. They appoint and control their own staff, and raise revenue through the levy of rates (real estate taxes).

Local government organization in England and Wales (outside of Greater London) consists of, in the main, county boroughs (mostly with populations of over 75,000) and administrative counties. The latter are divided into county districts, which consist of noncounty boroughs, urban districts, and rural districts. The rural districts are further divided into parishes. Scotland is divided into counties, large and small burghs, and districts. The Greater London area is administered by the councils of 32 London boroughs and the City of London, and by the Greater London Council.

Each local authority area is administered by its own elected council. All in all, England and Wales (outside the Greater London area) have about 8,900 local authorities, including 7,500 parish councils but excluding about 3,300 parish meetings in parishes not large enough to have councils. In Scotland, local authorities number over 400.

The local authorities run many of the public services, including local health, sanitation, education, child care, town and country planning, fire fighting, and traffic management. They share in the administration of the police.

Great Britain does not have a complete code of criminal and civil law. The sources of British law include legislation and unwritten or "common" law. Legislation, which includes acts of Parliament and orders, rules, and regulations made by ministers and others under powers conferred by Parliament, takes precedence over any other form of law.

In England, common law originated in customs and traditions reflected by decisions of the courts. Courts of equity were combined with the courts of common law in 1873, and all courts now apply both systems. In case of conflict, equity considerations prevail.

In Scotland, nonstatutory (or common) law is derived from the writings of certain eminent lawyers of the 17th, 18th, and early 19th centuries, and from judicial decisions which have followed and been developed from the principles enunciated in those commentaries.

Jurisdiction over criminal cases in England and Wales is exercised by magistrates' courts, which try the less serious offenses; courts of quarter sessions, which try cases involving the more serious offenses; and courts of assize, including the Central Criminal Court for Greater London and the Crown Courts in Liverpool and Manchester, which try the very grave cases or those presenting unusual difficulties. The main civil courts are the county courts, and for the more important cases the High Court. The High Court, which is divided into the Chancery Division, the Probate, Divorce, and Admiralty Division, and the Queen's Bench Division, forms part of the Supreme Court of Judicature. Its jurisdiction is both original and appellate and covers virtually all civil and some criminal causes.

In Scotland, criminal cases based on indictment are tried by a judge with a jury, or under summary procedure, without a jury. The court structure includes burgh (or police) courts; justice of the peace courts; sheriff courts; and the High Court of Justiciary.

The main courts of civil jurisdiction in Scot-

land are the sheriff courts (which in their civil capacity correspond roughly to the county courts in Englnad and Wales), and the Court of Session, which is the supreme civil court.

The National Economy

Britain emerged from World War II with formidable problems of reconversion to a peacetime economy. Its industrial plant had deteriorated markedly during the war years; a substantial proportion of its investments abroad had been liquidated; and it had acquired, in the course of the war, an external debt of staggering dimensions. Exports in the immediate postwar years could not be expected to generate sufficient foreign exchange for the purchase of the volume of fuel, food, raw materials, and other supplies needed for a reasonably smooth transition for war to peace.

The major source of the needed supplies was North America. The "dollar gap" was bridged temporarily by a long-term loan of US$3.75 billion extended by the United States, and a similar loan of Can$1.25 billion by Canada. For a variety of reasons, these credits were used at a much more rapid rate than had been anticipated. Fortunately, the imaginative Marshall Plan for European economic recovery, formulated in 1947, was approved by the Congress in April 1948. The plan achieved its major purpose of carrying Britain, and Western Europe generally, over its critical deficit years. Britain declined Marshall Plan aid after the end of 1950.

TABLE 1. GROSS NATIONAL PRODUCT BY INDUSTRY,[1] SELECTED YEARS, 1960–69

[In million of pounds, at current prices]

Industrial sector	1960	1963	1966	1969
Gross national product at factor cost	22,817	27,150	32,991	38,601
Net property income from abroad	231	392	380	451
Gross domestic product at factor cost	22,586	26,758	32,611	38,150
GROSS DOMESTIC PRODUCT				
Agriculture, forestry, and fishing	912	984	1,083	1,197
Mining and quarrying	687	750	725	678
Manufacturing	8,239	9,117	11,247	13,346
Construction	1,363	1,727	2,291	2,559
Gas, electricity, water	617	835	1,073	1,364
Transport	1,532	1,766	2,066	2,348
Communication	421	522	702	930
Distributive trades	2,756	3,174	3,752	4,193
Insurance, banking and finance (including real estate)	686	927	1,025	1,250
Ownership of dwellings	901	1,149	1,520	1,991
Public administration and defense	1,323	1,551	1,965	2,391
Public health and educational services	906	1,184	1,558	1,987
Other services	2,543	3,320	4,024	5,073
Stock appreciation	−135	−202	−318	−815
Residual error	−165	− 46	−102	−342

[1] The contribution of each industry to gross national product before providing for depreciation and stock appreciation.

SOURCE: Central Statistical Office, *Annual Abstract of Statistics, 1970* (*London*: H.M. Stationery Office, 1970), table 304.

In an approximate sense, 1950 marked the end of the British reconversion period. By that time, the economy had regained a position broadly comparable with that which had existed at the outbreak of the war.

The two decades following 1950 were marked by substantial changes in the industrial, geographical, and occupational distribution of employment, the introduction of new technologies and products, and the growth of some industries and the decline of others. Automobile manufacture, petroleum refining, and chemicals are examples of rapid growth industries during this period. Growth in steel was no more than average, and some industries, such as textiles, shipbuilding, and coal mining, experienced either absolute or relative decline.

Great Britain is highly industrialized. Almost 39 percent of the total number of employees in June 1970 were engaged in manufacturing. Slightly more than a quarter (2.3 million) of the manufacturing employees were in engineering industries (corresponding roughly in the United States to the manufacture of electrical and nonelectrical machinery and scientific instruments [1]), and an additional 19 percent were in shipbuilding, vehicles, and miscellaneous metal goods.

Between 1960 and 1969, gross national product (GNP) increased in current prices from £22.8 billion (US$54.7 billion) to £38.6 billion (US$92.6 billion). (See table 1.) The contribution of manufacturing to GNP declined from 36.1 percent in 1960 to 34.6 percent in 1969. The relative contribution of both agriculture (from 4 percent to 3.1 percent) and mining and quarrying (from 3 percent to 1.8 percent) declined significantly; the share of transport and the distributive trades also declined. On the other hand, the relative importance of the various service industries increased measurably, as did that of construction and communications. The contribution of public administration to GNP rose moderately from 5.8 percent in 1960 to 6.2 percent in 1969; the relative im-

[1] *Standard Industrial Classification Manual* (Office of Statistical Standards, Office of Management and Budget, 1967), industry groups 25, 36, and 38.

portance of insurance, banking, and finance remained about the same.

The changes in GNP and in gross domestic product from 1960 to 1969 shown in table 1 reflect changes in prices as well as output. Some notion of the change in real output in the economy as a whole, and in manufacturing separately, can be obtained by adjusting gross domestic product for price changes. (See table 2.) Between 1960 and 1969, real output in the economy increased by 27.2 percent, or at an average annual rate of 2.4 percent. The increase in manufacturing output was 31.5 percent, or at an average annual rate of 2.9 percent. Year-to-year changes in output varied considerably.

TABLE 2. UNITED KINGDOM: INDEXES OF OUTPUT AT CONSTANT FACTOR COST, TOTAL ECONOMY AND MANUFACTURING, 1960–69

Year	Indexes (1963=100)	
	All goods and services	Manufacturing
1960	93.8	95.5
1961	95.5	95.7
1962	96.8	96.1
1963	100.0	100.0
1964	105.8	108.7
1965	108.6	112.4
1966	110.5	114.2
1967	112.2	114.2
1968	116.6	121.4
1969	119.3	125.6

SOURCE: Central Statistical Office, *Annual Abstract of Statistics, 1970* (London: H.M. Sationery Office, 1970), table 305.

The British economy depends greatly on external trade. The value of this trade in 1969 was £15.7 billion (US$37.7 billion), of which £8.3 billion represented imports and £7.3 billion exports.[2] Food, including beverages and tobacco, represented more than one-fifth of imports, and raw materials, including petroleum and petroleum products, about one-eighth. Manufactured goods accounted for almost exactly 50 per cent of the value of all imports. In terms of exports, manufactured goods made up more than four-fifths of the total. Almost half of the manufactured goods exported consisted of machinery and transport equipment.

The United States has important investments in British industry, and trade between the two countries is substantial. The book value of direct investment[3] by the United States in the United Kingdom at the end of 1969 was around US$7.2 billion.[4] Most of this investment was in petroleum, automobile manufacture, and in a variety of other, mainly durable goods, manufacturing industries. Foreign investors in Britain are allowed to repatriate the proceeds of the sale of their investments, including any captial gains that may have accrued. There is no limitation on the transfer of earned profits and dividends.

With respect to trade, preliminary data for 1970 show United States exports to the United Kingdom of approximately US$2.5 billion, and imports of US$2.2 billion.[5]

The economy of Great Britain is mainly one of private enterprise. Most enterprises in manufacturing, wholesale and retail distribution, insurance, banking, and finance, and services of all kinds are privately owned. The nationalized sector, however, is by no means negligible. It includes civil aviation, coal mining, much of surface transport, gas and electricity, steel, and atomic energy, The bankruptcy of Rolls Royce in February 1971 resulted in the nationalization of a number of the divisions of the company producing aircraft, marine, and industrial engines deemed essential to Britain's defense. The Post Office, which also provides telephone and telegraphic service, became a public corporation in 1969.[6] The nationalized industries are run by quasi-independent corporations; their managing boards and staff are not made up of civil servants; they are, however, accountable to Parliament for their actions in a variety of ways.

The relative importance of the nationalized sector is suggested by the fact that in 1969 public corporations, including the Post Office, contributed about 11 percent to GNP. The private corporate sector contributed about 55 percent, and the personal sector (unincorporated enterprises, the self-employed, etc.) about 17.5

[2] Central Statistical Office, *Annual Abstract of Statistics, 1970*, tables 264, 267, and 268.

[3] Direct investments are those through which private investors in one country control, or have an important voice in the management of, enterprises in another country.

[4] See David T. Devlin and George R. Kruer, "The International Investment Position of the United States: Developments in 1969," *Survey of Current Business*, October 1970, pp. 21–38.

[5] Evelyn M. Parrish, "The U.S. Balance of Payments: Fourth Quarter and Year 1970," *Survey of Current Business*, March 1971, pp. 31–56.

[6] This list of nationalized economic activities is not exhaustive. See British Information Services, *Nationalized Industries in Britain* (London: H.M. Stationery Office, 1968).

percent. Another 16 percent was accounted for by government (central and local)[7].

In terms of total employment, including the self-employed, the private sector accounted for 75.1 percent in 1969; public corporations, including the Post Office, 8.1 percent; and the central and local government authorities, including H. M. Forces, 16.7 percent.[8]

In 1969, national income (GNP *less* capital consumption) was £34.9 billion. Of this total, £27.2 billion, or 77.9 percent, represented income from employment in the form of wages, salaries, and employers' contributions to public and private insurance and pension funds.[9] In 1960, the proportion of employment income was 72.7 percent, indicating a shift during the 1960's toward wages and salaries in the distribution of income.

Britain has suffered from a precarious balance of international payments problem during th entire postwar period. The pound has been devalued twice, and repeated efforts to dampen domestic demand for goods and services through monetary and fiscal policies, and through more direct "incomes" policies, have been made. These "stop-go" policies have tended to impede capital formation and the growth of output and productivity. It is estimated[10] that per capita output in the United Kingdom increased at various periods during the 1960's as follows:

Period	*Percentage increase in output per capita* (*Annual rates*)
1961–64	2.00
1965–68	3.00
1969	1.75

In comparison with most other European countries, these rates of growth in per capita output are low. In consequence, although the real incomes of the British people have advanced substantially during the postwar period, the gain has not been as great as that experienced in Western Europe generally.

[7] Central Statistical Office, *National Income and Expenditure* (London: H.M. Stationery Office, 1970), table 13.

[8] Central Statistical Office, *National Income*, table 13.

[9] Ibid., table 1.

[10] Organization for Economic Cooperation and Development, *Economic Surveys: United Kingdom* (Paris, November 1970).

As Britain enters the 1970's, it is confronted by three major economic issues:

1. The exceptionally sharp inflationary movement that began in the latter part of the 1960's continued into 1971. The trigger mechanism for the present inflationary episode was the currency devaluation of November 1967, through its effect on import prices, higher indirect taxes, restraint on the growth of real incomes, and higher unit labor costs spread over stagnant production.[11] Beginning in the second half of 1969, when the effort of the then Labour Government to restrain the growth of money incomes collapsed, cost elements, particularly wages and salaries, began to predominate. Between December 1969 and December 1970, the index of wage rates for manual workers advanced almost 14 percent, and the index of retail prices by about 8 percent. The present Conservative Goverment is attempting to dampen the rate of increase in money wages through monetary and fiscal policy and, as an example to private firms, through a hard line on wage increases in the public sector.[12]

Control of inflation will preserve at least some of the advantages for exports and the balance of payments resulting from the 1967 currency devaluation. During 1970, the balance of payments, in fact, did show considerable strength, even after discounting large short-term capital inflows due to high British interest rates. A marked easing of inflationary pressures also is necessary to stimulate industrial investment and hence a more rapid rate of growth in real output.

2. A second issue relates to reform in the conduct of industrial relations. The Industrial Relations Act, 1971, which is discussed in Chapter VIII, is calculated to provide a new legal framework for labor-management relations. The influence of the new legislation will become apparent only over a period of years, and other factors, including the achievement of reasonable price level stability, will contribute significantly to the industrial relations climate.

[11] See report of meeting on Jan. 6, 1971, of National Economic Development Council, at which unions, employers, and government were represented, in *Times* (London), Jan. 7, 1971.

[12] The most dramatic example was the willingness of the government to suffer a postal strike beginning on Jan. 19, 1971, and lasting approximately 7 weeks.

3. Finally, a crucial issue is the integration of Britain into the European Economic Community. Negotiators for Britain and the six Common Market countries agreed on terms of entry on June 23, 1971. Enabling legislation was passed by the United Kingdom Parliament in the autumn of 1971 over Labour Party and trade union opposition. Implementing legislation must now be considered. Entry is expected to have far-reaching consequences for the dynamics of the British economy.

The economic perspectives of the British Government insofar as the public sector is concerned have been set forth in two documents dealing with expenditures for defense, overseas aid, the nationalized industries, education, the social services, and other areas of direct governmental activity.[13] In general, the intention of the government is to rely more on individual initiative and responsibility by reducing the role of government in the economy. One element in this strategy is revision of the individual and corporate tax structure to provide greater incentive for work and investment. The comprehensive health and social security systems will be maintained, but charges will be increased for those who can afford to pay. The nationalized industrial sector may contract marginally. Economic policy in a number of directions will be influenced by whether Britain becomes a member of the Common Market.

[13] *New Policies for Public Spending* (London: H.M. Stationery Office, October 1970, Cmnd. 4515); and *Public Expenditure 1969–70 to 1974–75* (London: H.M. Stationery Office, January 1971, Cmnd. 4578).

Chapter II. Cultural Factors

Ethnic and Linguistic Groups

Most modern Britons are descended from varied ethnic stocks—pre-Celts, Celts, Romans, Anglo-Saxons, and Norse—that settled in the British Isles before the end of the 11th century. The last successful invaders were the Normans, a branch of the Scandinavian Vikings, who had settled in northern France, intermarried with the French, and assimilated the French language and customs. They conquered England in 1066. The relative importance of these various peoples in the ancestry of the present English, Scots, Welsh, and Irish is at best a matter of speculation.

Over most of England and the lowlands of Scotland the language that soon came to predominate was English, largely a blend of Anglo-Saxon and Norman-French. In Wales, Cornwall, the highlands of Scotland, and Ireland, the use of Celtic languages persisted. Even today, Welsh (a form of British Celtic) is the first language of a substantial minority of the population in Wales—about 26 percent at the time of the 1961 census. In 1967, the Welsh Language Act affirmed the equal validity of Welsh and English in the administration of justice and the conduct of government business throughout Wales. A Scottish form of Gaelic continues to be spoken in a number of counties (including islands off the coast) in the west of Scotland.

Heavy immigration occurred during the 1950's and early 1960's from India, Pakistan, the West Indies, and Africa. The precise number of such immigrants is not known, but a demographic study commissioned by the Runnymede Trust estimated their number in 1969 at 1.5 million, or about 2.9 percent of the total population of Great Britain. This immigration has now been drastically curtailed. The Runnymede Trust study estimates (on the basis of assumptions relating to future immigration and natural increase) that by 1985 the nonwhite population may reach almost 3 million.[14]

Religion

Britain has complete freedom of religious belief and worship, despite the existence of established churches in England and in Scotland.[15] Religious freedom was achieved

[14] Daily Telegraph (London), March 16, 1971.

[15] Under the Welsh Church Acts of 1914 and 1919, the Church in Wales and Monmouthshire were disestablished as of Mar. 31, 1920.

gradually from the 17th century onward. Heresy ceased to be a civil offense in 1677; protestant dissenters were granted freedom of worship in 1688; in 1828, political disabilities were removed from nonconformists to permit their appointment to public office; Roman Catholics gained political emancipation in 1829; Jews, by an act of 1858, were enabled to become members of Parliament. Religious tests for prospective students and academic staff of the universities of Oxford, Cambridge, and Durham were successively removed in 1854, 1856, and 1871.

The Church of England is an established church. It repudiated the supremacy of the Pope at the time of the Reformation in the 16th century, but retained the episcopate, creeds, and sacraments. Its form of worship is embodied in the Book of Common Prayer, which was first compiled in 1549. It is uniquely related to the Sovereign, who must be a member. Church of England archbishops, bishops, and deans are appointed by the Sovereign on the advice of the Prime Minister, and all clergymen take the oath of allegiance to the Crown. The church has seats in the House of Lords, and must obtain the consent of Parliament to change its form of worship. The State makes no direct financial contribution to the expenses of the Church as such, except for payments to clergy for services conducted in such institutions as the armed forces. Church-related schools of any denomination may be wholly or partly maintained from public funds.

The Church of Scotland, also established by law, has a presbyterian form of government—in effect, a hierarchy of courts rather than, as in the episcopal form, a hierarchy of persons. It has complete freedom in all spiritual matters and the right to appoint its own officers and to decide all matters of disciple and doctrine.

The major "nonconformist" churches are the Methodist, Baptist, Congregational, and the unestablished presbyterian churches throughout Britain, although many other protestant faiths are represented. They are distinguished from the established churches by distinctive convictions regarding organization and worship. Historically, they have played a role in the development of working class consciousness and leadership.

The Roman Catholic hierarchy became temporarily extinct in England and Wales during the 16th century. It was restored in 1850. In Scotland, the hierarchy became extinct in the early part of the 17th century and was restored in 1878.

The present Anglo-Jewish community dates from 1656. The other major non-Christian communities in Britain are composed of Muslims and Buddhists.

There is no uniform method of measuring the number of adherents to the various churches in Britain. Each church adopts its own membership criteria. Questions relating to religious belief are not included in population censuses or other official enumerations. The membership figures given in the following tabulation for the principal denominations therefore must be regarded as approximate:

England and Wales:	
Church of England	[1] 27,658,000
Roman Catholic	4,000,000
Methodist	759,000
Jewish	[2] 450,000
Baptist	281,000
Congregational	187,000
Scotland:	
Church of Scotland	1,200,000
Roman Catholic	810,000

[1] Number baptized, of whom about 10 million were confirmed.

[2] Including Scotland and Northern Ireland.

Chapter III. Social Factors

The Nature of the Society

The present British social system is marked by a strong attachment to law, social order, and individual rights. Although continuity is valued highly, change is accepted as the product of a democratic political process that itself represents adaptation to changing social and economic forces over a long historical period.

The British attachment to orderly processes

was well illustrated in the debate at the special meeting of the Trades Union Congress (TUC) [16] on March 18, 1971, on the Government's Industrial Relations Bill then before the Commons. (See chapter VIII.) The question before the Congress involved the tactics to be used in opposing this measure. The militants within the trade union movement favored the use of massive strikes in an effort to force the government to withdraw the Bill. This use of the strike as a political weapon was opposed by the General Council of the TUC and the Council's tactical position (as described in chapter VIII) was upheld. In the course of the debate, Mr. Victor Feather, General Secretary of the TUC, observed: "The fact that a law is offensive to a particular grouping of people does not entitle that grouping, no matter how vast and important it is, deliberately to break the law. Trades unionist are not, either individually or collectively, above or outside the law." [17]

Another characteristic of British society is the persistence among all social groups of a strong sense of individual identity—a type of individualism that stems from a feeling of individual worth and dignity. One manifestation is the toleration of—and even affection for—individual eccentricities. A sense of uniformity and regimentation, despite the pervasiveness of the welfare state, is lacking.

Social stratification certainly exists within the society. Social divisions are more pronounced than in the United States, and upward mobility, although increasing, is not as great. The distance between the districts of Mayfair and Stepney in London is enormous when measured in social and economic terms. Taxation has not erased substantial differences in wealth and income. Most children of working parents continue to go to work at the statutory school-leaving age (now 15), but an increasing proportion remain longer in school and university training is not now foreclosed to the bright boys and girls among them. Indeed, one of the responsibilities of the local education authorities is to see that those students who would profit from education beyond the secondary level are not deterred by lack of financial means.

The gradations in the British social structure are complex and subtle. A titled aristocracy of birth continues to exist. Probably most of its members are engaged in practical affairs, and in any case the aristocratic mystique must be considerably diluted by the conferring by the Sovereign of life peerages and other honors, largely for distinguished achievement and largely on the advice of the Prime Minister. The strong middle class stems from the mercantile and industrial revolutions of the 18th and 19th centuries. As in the United States, this is a highly complex and ill-defined but expanding group. It embraces, in its broadest definition, all manner of white-collar occupations—in its upper reaches, the more responsible levels of business management, the professions, the higher civil service; beyond this, a vast number of white-collar occupations requiring varying degrees of education and training. In remuneration, and increasingly in outlook and mode of life, there is overlap between "middle" and "working" classes, the latter defined in terms of families whose principal breadwinner is engaged in manual work.

The British manual worker is the inheritor of a long tradition of industrial discipline. To a considerable extent he is the product, as in other countries, of the conditions and circumstances of the industries in which he works. Thus, the attitudes and outlook of coal miners in Britain, as in the United States, are conditioned by life in isolated communities, and by the difficulties, dangers, and other characteristics of work inherent in mining. Also differences are associated with the ethnic characteristics of the English, Scots, and Welsh, and with the amazing number of identifiable economic and social areas within the country.

Britain has a long tradition of craftsmanship in industry. The craftsman is a skilled worker, often the product of a long apprenticeship; he has pride in his job and tends to be resistant to technological or other forces that threaten to dilute his skill. He has a long union tradition and a heritage of struggle for improved job conditions and, more generally, for the extension of democratic rights. The semiskilled worker often has earnings, particularly under incentive systems, that are not, on the

[16] See Chapter VIII for a description of the organization and activities of the TUC.

[17] *Daily Telegraph* (London), Mar. 19, 1971.

average, much below those of the skilled worker in his industry. Wage differentials, as shown in Chapter XI, appear to be comparatively narrow. Technological change, to the extent that it has broken down skill requirements, has broadened the opportunities for essentially semiskilled work.

Postwar labor shortages associated with full employment and relatively slow growth in the labor supply have resulted in an extension of opportunities for formal education and training beyond the secondary school, and a more systematic approach to training within industry. (On the latter, see chapter IX.) The labor market situation has provided entrance to better job opportunities for many workers and certainly for their children. At the unskilled level, shortages have been met in part by Irish immigration, an historic source of reserve labor for British industry, and, until restrictions were imposed, by immigration primarily from India, Pakistan, and the West Indies. Even so, labor market pressures have assured relatively large improvements in pay and other job conditions for those at the bottom of the skill ladder.

Conditions for the manual worker in Britain have improved enormously compared with 35 years ago. His income, especially if there is more than one earner in the family, provides a margin for some of the amenities of life. He has reasonable expectations of stable employment, or of alternative employment if he loses a particular job. And he has a measure of income protection, through a comprehensive national social insurance system and the National Health Service, against the major hazards of industrial life. Through his trade union, he has a voice in determining the conditions under which he works, and protection against unfair treatment on the job. He is less locked into a particular status in the social order.

Nevertheless, social barriers exist and are reenforced by some factors that are not present, at least to the same extent, in the United States. One of these is language, that curious dichotomy between manual (and even lower white-collar) worker dialect or dialects and the King's English of the established middle and upper classes. Feelings of class consciousness or of class solidarity are still comparatively strong, reflecting realities in the present situation but also the remembrance of things past.

Education and Training

Great Britain has virtually no illiteracy, although as in any society, degrees of literacy vary. School attendance is compulsory between the ages of 5 and 15. In September 1972, the school-leaving age is scheduled to be raised to age 16. Most children are educated in state-supported schools, but public schools—private schools in U.S. terminology—continue to play a significant educational role, particularly for the children of upper income families.

Publicly supported primary education began about a hundred years ago in England and Wales with the passage of the Elementary Education Act of 1870. The public provision of secondary education began in England in 1902, but somewhat earlier in Wales. In Scotland, the educational system has a long history independent of that in England, but today the same general educational policy is found throughout Great Britain. However, some variations exist between England, Wales, and Scotland. The basic legislation that underlies current public policy is the Education Act of 1944, for England and Wales, and the Education (Scotland) Act of 1962.

Responsibility for educational administration is shared by the national and local government authorities, and to some extent, by various voluntary organizations. Central government responsibility for all aspects of education in England and Wales (and for universities throughout Great Britain) is lodged with the Secretary of State for Education and Science, who presides over the Department of Education and Science.[18] The Department does not actually run any schools, engage teachers, or prescribe text books or curricula. Its responsibilities do include the establishment of minimum educational standards; control over physical educational plant and of teacher training and supply; the setting of standards for the

[18] The Education Office for Wales, which is part of the Department but located in Cardiff, is responsible for the administration of education in Wales and Monmouthshire. The Secretary of State for Scotland, acting through the Scottish Education Department, has responsibility for the central administration of public education in Scotland, except for the universities.

qualification of teachers; and the administration of negotiated salary scales and of a retirement pension plan for teachers. It plays a role in the provision of central government financial support for schools; supports educational research; and, through H.M. School Inspectors, is responsible for the inspection (for the content and value of the education provided) of all schools, including independent schools, administered by local education authorities throughout the country.

The local education authorities are responsible for the adequate provision of primary and secondary education in their areas, and for the provision of further education—a broad term that includes full-time or part-time vocational or nonvocational work in technical colleges, agricultural colleges and institutes, adult educational classes and institutes, etc. School curriculums are under the control of the local education authorities; considerable responsibility is placed on the schools themselves. In this area, teachers may seek help and advice from H.M. Inspectors of Schools.

Three types of schools in England and Wales are supported by public funds: (1) county schools, which are maintained by local education authorities wholly out of public funds; (2) voluntary schools, usually provided by a religious denomination [19]; and (3) direct-grant schools, a comparatively small group which are independent of local education authorities but receive a grant-in-aid from the Department of Education and Science. In Scotland, most of the schools are supported from public funds provided directly by the education authorities. Funds for schools are derived from rates (local real estate taxes) and from central government grants.

In England and Wales, a child enters primary school at age 5 and normally completes the primary stage at the end of the school year in which his 11th birthday falls. This point corresponds approximately to the end of the fifth grade in the United States. In Scotland, the primary stage typically is from age 5 to 12.

Secondary schools are of several types. In England and Wales, the "grammar" school (broadly geared to the requirements for university entrance) and the "modern" school (providing a broad general education required by the majority of students who leave school at 15) are being replaced increasingly by the "comprehensive" school, which offers a full range of instruction for all secondary school pupils in a district. Technical (vocational) schools are found in some districts. The allocation of children among grammar, modern, and technical schools has typically been based upon the results of tests taken at about age 11 (known as the "Eleven Plus"). Comprehensive schools take pupils without reference to ability, but their internal organization can provide for groupings based on student ability and interest. Secondary education in Scotland is being organized increasingly along comprehensive lines.

Educational statistics differ somewhat between England and Wales, on the one hand, and Scotland on the other. In England and Wales, 99.8 percent of the estimated child population aged 5 to 14 (7.3 million) were full-time pupils as of January 1969; 95.4 percent were attending publicly supported schools. At age 15, the school population as a proportion of the school age group falls sharply. In 1969, about 25.3 percent of the group aged 15–19 were attending school full-time, mainly in state-supported schools. The proportions in Scotland were similar.

It has long been customary for the children of working class parents to leave school at the statutory school-leaving age. During recent years, however, an increasing proportion of children aged 15 and over have remained in school. Thus, in England and Wales the proportion of children aged 15 and over [20] attending publicly supported schools increased from 12.6 percent in 1959 to 23 percent in 1969.

The School Health Service provides medical inspection and arranges, usually in cooperation with the National Health Service, for free medical and dental treatment for all children attending schools maintained by local education authorities. Milk is given free to children

[19] Over one-third of the 28,500 schools maintained by local education authorities in England and Wales are voluntary schools, mostly Church of England, but including about 2,400 Roman Catholic schools and some schools of other religious bodies. The local education authority is responsible for the running costs of all voluntary schools and for the cost of all building work at some voluntary (so-called "controlled") schools.

[20] Percentage of age group 15–19.

in primary and special schools (special schools are those for children suffering physical or mental disabilities), and the Schools Meal Service provides a midday meal at a subsidized price (remitted in case of need) to about 70 percent of the pupils in England and Wales and 49 percent in Scotland in education authorities schools.

Extensive facilities exist for further, chiefly vocational, education for young people who leave secondary school at 15 years or at a later age. In England and Wales in the 1968–69 school year, 7,968 establishments for further education, including 7,235 evening institutes, were maintained or assisted by local education authorities or were in receipt of direct grants from the central government. These facilities were attended by about 716,000 students aged 15–17 and approximately 552,000 aged 18–20. Most of these students were attending on a part-time basis during the day or in the evening. The part-time day students (aged 15–20) included more than 600,000 released by employers during working hours.

Almost 250,000 adults in England and Wales were registered for courses organized by university extra-mural departments and certain voluntary bodies (e.g., the Workers' Educational Association) in 1969.

Great Britain now has 42 universities: 33 in England, one in Wales (which includes four university colleges), and 8 in Scotland.[21] University facilities and enrollment during recent years have expanded substantially. Nineteen universities have received their charters since 1960, and university enrollment more than doubled between the 1958–59 and the 1968–69 academic years. In the latter year, there were 211,488 full-time students in universities in Great Britain, including almost 8,000 from other Commonwealth countries and about an equal number from foreign countries.

More than four-fifths of the full-time university students in the 1968–69 academic year were concentrating in five broad fields of study: science (25.9 percent); social, administrative, and business studies (19.6 percent); engineering and technology (16.1 percent); language and literature (12.2 percent); and medicine, dentistry, and health (10 percent).

British industry has a long tradition of on-the-job training. Historically, apprenticeship has played an important role in developing trained workers for skilled occupations, although the quality of apprenticeship training has often been called in question. During World War II, methods of recruiting and training apprentices and juveniles were intensively discussed, and were made the subject of a large number of national labor-management agreements in the immediate postwar years. Organized short-term training programs for other than the skilled trades were provided by some large firms, but by few medium-sized or small enterprises. There were few facilities for off-the-job training.

Concern with industrial training, not only for manual jobs, but for office, technical, and supervisory work as well, became more pronounced as the postwar period lengthened. This was a response to labor shortages in numerous types of employment, and to the need for labor force adaptation to the dynamics of change in technology, consumer demand, and other forces affecting occupational requirements in industry. In 1962, the Government published a White Paper on industrial training,[22] and this was followed by the Industrial Training Act, 1964. The general purpose of the Act was to expand systematic programs of training within industry and to improve the quality of training. It sought also to secure a better distribution among firms of the costs of training.

The act gave authority to the Secretary of State for Employment to establish by order Industrial Training Boards on an industry basis. By early 1971, 28 boards were in existence; the industries concerned contained more than a million establishments and 15,000,000 employees. The industries were as follows:

Agriculture, horticulture, and forestry
Air transport and travel
Banking, insurance, and finance
Carpet
Ceramics, glass, and mineral products
Chemical and allied products

[21] There are a number of other institutions where work is of university standard, including two post-graduate business schools supported jointly by industry and the Government—the Manchester Business School and the London Graduate School of Business Studies.

[22] *Industrial Training: Government Proposals* (London: H.M. Stationery Office, December 1962, Cmnd. 1862).

Clothing and allied products
Construction
Cotton and allied products
Construction
Cotton and allied textiles
Distributive
Electricity supply
Engineering
Food, drink, and tobacco
Footwear, leather, and fur skin
Furniture and timber
Gas
Hotel and catering
Iron and steel
Knitting, lace, and net
Man-made fiber products
Paper and paper products
Petroleum
Printing and publishing
Road transport
Rubber and plastics processing
Shipbuilding
Water supply
Wool, jute, and flax

Board members are appointed by the Secretary of State after appropriate consultation with the parties concerned. Each board has a chairman and in some cases a deputy chairman, an equal number of employer and trade union members, and a number of professional educators. Representatives of the Department of Employment, the Department of Education and Science, and the Scottish Education Department attend meetings of boards, but have no vote. A Central Training Council advises the Secretary of State on the exercise of his functions under the Act, examines training issues of major importance, and prepares statements and memoranda for the guidance of training boards.[23]

Industry training boards have two main duties. The first is to ensure that sufficient training is provided. The second is to issue recommendations on such matters as the nature, content, and length of training for occupations in their industries. A board can provide its own training courses, or arrange for the provision of training by other organizations. The principal focus, however, is on training within industry, and boards have the authority to make grants toward the cost of training to individual employers with approved programs.

[23] Copies of statements and memoranda released by the Central Training Council are available from the Department of Employment.

Although the training boards have a considerable measure of autonomy, they must work within the framework of training programs that have been proposed to and approved by the Secretary of State for Employment. Separate proposals must be submitted for the raising of levies (see below) on industry to support the training effort. The Secretary of State can declare a board in default, and appoint new members, if he believes it is not working effectively.

The cost of the programs developed by the industry training boards, which is substantial, is financed largely through levies upon the industries concerned. Each board determines the rate of levy for its own industry, subject to the approval of the Secretary of State and after the proposal has been laid before Parliament. The rates vary considerably among industries, but average roughly about one percent of payroll. Every employer in industries for which levies have been approved, unless specifically exempted (typically small firms), is required to pay the specified levy. For the 1967–68 financial year, the 17 industry training boards then collecting levies raised about £130 million (US$312 million); of this amount, more than £125 million was returned or earmarked for return by the boards to firms in the form of grants for training employees.[24] In addition to income from levies, the Secretary of State for Employment has authority to make grants or loans to training boards up to a limit of £50 million.

It is believed that the boards, although in operation for a comparatively short time, have made positive contributions to job training. For example, considerable progress has been made in developing flexible schemes of training for craftsmen. In many instances, the period of training has been reduced from five to four and in some cases to 3 years. Many programs for craft training recommend periods of broadly based training (6 to 12 months) in which the basic skills and knowledge of the craft are acquired, followed by training, associated educa-

[24] Each board must submit an annual report of its activities, including an audited statement of accounts. See, for example, Paper and Paper Products Industry Training Board, *Report and Statement of Accounts for the Year Ended 31st March 1970* (London, H.M. Stationery Office, 1970).

tion, and planned experience in the specialist skills. The Engineering Board pioneered this system, which has become known as the modular system. Its general principles have been adopted by a number of other boards. The Construction Board, for example, has grouped a number of trades (e.g., the trowel trades) and has recommended basic training with associated further education for activities common to all trades in the group.

Most of the boards support training and retraining programs for operatives, both for adults and juveniles. The training of office staff has received attention from some boards. Increasing emphasis has been placed on management and supervisory training, and most boards have set up special committees to devise recommendations in this area. Considerable attention also has been given to the training, largely through educational institutions, of officers and instructors who will be responsible for training programs in individual firms.

The program launched by the Industrial Training Act has some unique and imaginative features. It is intended to result in a systematic and sustained job training program throughout much of British industry. The first industrial training board was set up in June 1964, and most boards have been in operation for only 4 or 5 years. It is estimated as of 1971 that about 1.4 million workers, including more than half a million apprentices, are undergoing training at any one time, an increase of about 16 percent over the number in 1964.

It is no doubt still too soon to make any kind of definitive assessment of the value of the industry training boards system. The program has its critics.[25] In the summer of 1970, the Secretary of State for Employment announced that a review of the activities of the boards would be undertaken, but the results of this study are not yet available. The program undoubtedly has stimulated fresh thinking on the problem of job training at all levels,[26] and it appears to have increased the quantity of training offered.

The National Government itself has increased its direct role in job training in recent years. In early 1971 it operated 55 Government Training Centers offering instruction in a wide range of skilled trades. It has a program of instructor training with an annual output of about 3,000 instructors. It offers a variety of courses for supervisors in leadership, instruction, improvement of work methods, and accident prevention. As pointed out in the section on "Hiring" (chapter IX), it operates special vocational training and rehabilitation programs for the disabled, and for those who need industrial reorientation after recovery from mental or physical illness.

Living Conditions

Money wages and salaries in Great Britain, when converted at the current rate of exchange, are markedly lower than in the United States. (See Chapter XI.) The difference in real incomes, although still substantial, is not as great as money measures would suggest. There are formidable difficulties in measuring differences in the cost of equivalent standards of living between two countries.[27] The available evidence indicates that costs, on the average, are lower in Great Britain, but not sufficiently so as wholly to offset money differences.

Information on the ways in which households in Great Britain allocated their incomes in 1969 is available from a sample survey of family expenditures in that year. The 7,008 households in the sample averaged 2.96 persons per household. The average weekly family income was £32.47 (US$77.93) before taxes, and average expenditures on goods and services were £26.35. The allocation of these expenditures is shown in summary form in table 3.

Although close comparison probably is not warranted, the average family in Great Britain clearly spent a smaller proportion of its income—12.4 percent—on housing than the aver-

[25] See, for example, Dennis Lees and Brian Chiplin, "The Economics of Industrial Training," *Lloyds Bank Review*, April 1970, pp. 29–41.

[26] See the report of a conference of trade union members of training boards held on January 16, 1969, in *Industrial Training Since the 1964 Act* (London: Trades Union Congress, 1969).

[27] For estimates at various periods, see E. H. Phelps Brown and Margaret H. Browne, *A Century of Pay: The Course of Pay and Production in France, Germany, Sweden, the United Kingdom and the United States, 1860–1960* (London: Macmillan, 1968).

TABLE 5. PERCENT DISTRIBUTION OF AVERAGE WEEKLY HOUSEHOLD EXPENDITURES, 1969

Commodity or service	Distribution (in percent)
Total	100.0
Housing	12.4
Fuel, light, and power	6.6
Food	26.1
Alcohol drink	4.8
Tobacco	5.1
Clothing and footwear	8.9
Durable household goods	6.3
Other goods	7.2
Transport and vehicles	13.9
Services	8.9
Miscellaneous	.8

SOURCE: "Family Expenditure Survey, 1969," *Employment and Productivity Gazette*, November 1970, pp. 1026-1027.

age family in the United States. This probably reflects widespread subsidization of public housing rents for low-income families, and rent control over most privately rented unfurnished dwellings.[28] On the other hand, Britons spent a somewhat larger proportion of their family incomes on food. Proportionately, expenditures for transportation were about the same. Expenditures on alcoholic beverages and tobacco were relatively much higher in Britain, and on apparel somewhat greater in the United States.

In general, the standard of living is high compared with prewar standards, and it is improving. Starchy foods make up a smaller proportion of the average diet than formerly. The consumption of poultry, vegetables, and butter has increased over the past decade. Sweets and confectionery are consumed in relatively large quantities. Tea remains the national beverage, but the consumption of coffee has increased greatly.

The average dwelling unit in Britain has 4.7 rooms; virtually all units contain either a bath or a shower; and the average number of persons per room is 0.6. On the basis of comparative European statistics, overcrowding in Britain is lower than in most other countries.

England and Wales had 18.5 million dwellings and Scotland 1.7 million, about half of which are owned by their occupiers. Between 1945 and March 1969, well over 6 million new houses and flats were built. Most of these were houses, usually of two stories; the remainder were flats or maisonettes.

Public sector or council housing (housing built by or for local authorities) has played a major, although fluctuating, role in postwar housing construction.[29] The capital cost of local authority housing is met from loans; current expenditure, including loan repayment and interest on loans, is met from rents supplemented by subsidies from the Exchequer and, in some cases, from local taxation. In 1969, almost 367,000 housing units were built in Great Britain. About 47 percent of these were for local housing authorities, and most contained two bedrooms or more. In the selection of tenants for council dwellings, local authorities must give preference to families living in overcrowded or unsatisfactory conditions. Rents are generally low in comparison with current building costs, and many authorities operate rent-rebate schemes under which tenants with low incomes or large families can claim a reduction in the standard rent.

By no means all housing, of course, is satisfactory. During the first decade after the war, almost exclusive emphasis was placed on new construction to relieve severe shortages. Slum clearance programs began in the mid-1950's, and about 2.25 million people have been rehoused since then as the result of these programs. It is expected that within the next 10 years local housing authorities in Great Britain will succeed in eliminating their present slums, except in some of the older industrial cities, such as Birmingham and Glasgow. Housing authorities are obligated to see that other accommodation exists or can be provided for people displaced from slum clearance areas.

In tackling the housing problem, imaginative effort has gone into town and country planning. One result has been the creation of a significant number of new towns to encourage the transfer of population and industry from congested urban areas. Presently, 22 new towns have been or are being established in England and Wales and 5 in Scotland. Nine of the new towns in England are in the Southeast region, which includes London.

Rent controls, which have been modified a number of times during the postwar period, undoubtedly have had the effect of reducing

[28] Rent control legislation was consolidated in the Rent Act, 1968.

[29] Most of the housing built in the first decade after the war (to about 1954) was for local housing authorities; thereafter, a shift to construction for private owners occurred, although public housing construction remained important.

the supply of private rental dwellings, and have had some adverse effects on labor mobility.

Durable goods consumption has increased markedly during the postwar period as real incomes rose. In 1969, 51 percent of British households had the use of one or more automobiles; 63 percent possessed washing machines; 60 percent had refrigerators; 91 percent had television sets; and 32 percent either had exclusive use of, or shared, a telephone.

Health Conditions

The general health of the British population, as gaged by several indicators, is at least on par with health in the United States and other countries in the West. The life expectancy at birth of males in England and Wales is 68.7 years; of females, 74.9 years.[30] The corresponding figures for Scotland are 67.1 years and 73.2 years, respectively. In the United States, life expectancy (1967) was 67 years for males and 74.2 years for females.

In 1969, infant mortality (deaths of infants under 1 year of age per thousand live births) was 18 in England and Wales and 21.1 in Scotland. In the United States, the corresponding figure in 1967 was 22.4.

Of the 575,884 natural deaths in Great Britain in 1967, about three-fourths were attributed to four broad causes. Arteriosclerotic and degenerative heart disease was the single most important cause (29 percent). Various forms of cancer constituted the second most important cause (21 percent). Strokes (vascular leisons affecting the central nervous system) and respiratory ailments accounted for 15 and 11 percent of the deaths, respectively.

Of the identifiable infectious diseases, the most numerous in 1969 were dysentery (27,419 cases) scarlet fever (17,704 cases), and tuberculosis (14,195 cases).

In 1969, about one million insured persons were absent from work owing to sickness.[31] A private study estimates that, for the year ending June 1968, certified sickness for people in employment represented a loss of 3.7 percent of all working time, and accounted for about 70 percent of absenteeism.[32] The lost-time percentage would be raised by the addition of short-term uncertified absence.

Great Britain has a well-organized public health service. Industrial health an safety receive marked attention. (See chapter XII.) Medical, dental, and hospital care is available to the entire population through the National Health Service. (See chapter XIII.)

Women and Children

Women play an active role in all aspects of British life. They occupy places in Parliament, in Government administration, and, increasingly, in business management. They play a notable role in education, literature, and the arts. Somewhat more than one-fourth of full-time university students are women.

In 1969, women and girls represented 35.8 percent of the total working population in Great Britain, and 37.4 percent of the total number of employees. About 59 percent of the female employees were married. Women and girls accounted for 31 percent of the employees in manufacturing; concentrations are great in clothing and footwear, textiles, food, drink, tobacco, and in some branches of engineering. They represented more than half of the employees in the distributive trades, finance, professional and scientific services (including education), and in miscellaneous services.

Married women form the only substantial labor force reserve, and the Government is concerned to reduce obstacles to the employment of those who are willing to work. This interest arises in particular from projections of the working populations which, for various demographic reasons, may actually fall during the first half of the 1970's. (See chapter IV.)

This labor market situation should contribute to the implementation of the Equal Pay Act, 1970. This act does not come into force until December 29, 1975, and is designed to eliminate discrimination between men and women with respect to pay and other terms

[30] Using Life Table, 1967–69.

[31] Under the national insurance system, sickness benefit is not generally payable for the first 3 days unless the illness lasts for a fortnight. It is normally not paid to retired people after age 65 for men and 60 for women, except for men between 65 and 70 and women between 60 and 65 who are still working and who would have qualified for pension on their own insurance if they had retired.

[32] Bureau of Health Economics, *Off Sick* (London, 1970).

and conditions of employment. This end is to be achieved in two main ways: (1) by establishing the right of the individual woman to equal treatment when she is employed (a) on work of the same or of a broadly similar nature to that of men or (b) in a job which, though different from those of men, has been given an equal value under job evaluation; and (2) by providing for the Industrial Court [33] to remove discrimination in collective agreements, employers' pay structures, and statutory wages orders which contain any provisions applying specifically to men only or to women only and which have been referred to the Court. Any disagreement between an employer and an individual woman worker in regard to her rights under (1) may be referred to an Industrial Tribunal [33] for decision.

The act applies to government as well as private employment, and represents the culmination of a long campaign to secure nondiscriminatory conditions of employment for women.

Child labor does not appear to be a problem in British industry, and the welfare of children is a matter not only of familial but of broad social concern. The hours of employment of women and young persons in industrial work are regulated by the Factories Act, 1961. (See chapter X.)

[33] This term is defined in Chapter VIII.

Chapter IV. Manpower Resources

Population and Labor Supply

At mid-year 1970, the estimated population of Great Britain was 54,187,000. (See table 4.) Females outnumbered males by about 5 percent. Between 1961 and 1970, the population increased by 2.9 million, or at an average annual rate of substantially less than 1 percent (about 0.6 percent). Population growth occurred almost entirely in England and Wales; the population of Scotland barely held its own. The increase in population during this period was due largely to natural increase. The excess of immigration over emigration was very small.

In 1970, almost 24 percent of the population, as table 5 shows, was 14 years of age or younger (that is, below the school-leaving age). At the upper end of the age distribution, almost 13 percent of the population was aged 65 or over. Roughly about two-thirds of the population, therefore, was in the productive age groups. This proportion differed somewhat for males and females, separately. The female population contained a significantly higher proportion of persons in the aged 65 and over group, and correspondingly smaller proportions in the lower age groups.

The population is highly urbanized; about 78 percent are estimated (in mid-1969) to live in urban districts. More that one-third lived in seven "conurbations," defined as areas of urban development where a number of separate towns have grown into each other or have become linked by such factors as common industrial or business interests. By far the largest of these is Greater London, with an estimated population of 7.7 million. The other conurbations are, in England, the West Midlands, West Yorkshire, South East Lancashire, Mer-

TABLE 4. GREAT BRITAIN: HOME POPULATION,[1] 1961 AND 1970

Sex composition	1961 [2]	1970 [3]
Total population	51,284,000	54,187,000
Male	24,787,000	26,328,000
Female	26,498,000	27,859,000

[1] Excluding members of H.M. Forces serving overseas, but including Commonwealth and foreign forces in Great Britain.
[2] Census of Population.
[3] Mid-year estimate.

SOURCE: Central Statistical Office, *Monthly Digest of Statistics*, February 1971, table 10.

TABLE 5. GREAT BRITAIN: AGE DISTRIBUTION OF HOME POPULATION,[1] 1970 [2]

[Number in thousands]

Age in years	Total		Male		Female	
	Number	Percent	Number	Percent	Number	Percent
Total	54,187	100.0	26,328	100.0	27,859	100.0
Under 15	12,941	23.9	6,636	25.2	6,305	22.6
15–64	34,264	63.2	17,035	64.7	17,229	61.8
65 and over	6,982	12.9	2,657	10.1	4,325	15.5

[1] Excluding members of H.M. Forces serving overseas, but including Commonwealth and foreign forces in Great Britain.
[2] Mid-year estimate.

SOURCE: Central Statistical Office, *Monthly Digest of Statistics*, February 1971, table 11.

seyside, and Tyneside; and Central Clydeside in Scotland. Regionally, almost a third of the population of Great Britain is located in the South East, which includes London.

The working population in March 1970, including H.M. Forces, numbered 25,145,000. (See table 6.) Slightly more than two-thirds of the labor force were male. Civilian employment, at 24,169,000, included 22,425,000 persons classified as wage earners and salaried employees, and 1,744, 000 as employers and self-employed. H.M. Forces accounted for 374,000, and the wholly unemployed for 602,000.

The total working population declined between 1966 and 1969. Because of the effect of lower birth rates in the early 1950's and of immigration restrictions imposed during the 1960's, no net growth in the working population is expected between 1967 and the mid-1970's. Indeed, the rise in the school leaving age in 1972 may result in a smaller working population in 1973–76 than in 1967. After 1976, annual growth in the working population is expected to resume, but at a relatively slow rate.

As in the United States, women constitute an increasing proportion of the working population. The increase over the period from June 1962 to June 1969 was from 34 percent to 35.8 percent. Almost three-fifths of the employed women and girls were married.

About 10 percent of all employees were young persons (aged 15–19), and almost 3 percent were 65 years of age and over. In 1970, an estimated 750,000 Indians, Pakistanis, and Negroes were in the working population.[34]

The continuing industrial importance of Britain is reflected by the fact that almost 39

TABLE 6. GREAT BRITAIN: WORKING POPULATION, MARCH 1970 [1]

Employment category	Number (in thousands)
Working population	25,145
Males	16,140
Females	9,004
Civil employment	24,169
Employers and self-employed	1,744
Wage earners and salary employees	22,425
H.M. Forces and Women's Services	374
Unemployed	602

[1] Not adjusted for seasonal variation.

SOURCE: Central Statistical Office, *Monthly Digest of Statistics*, February 1971, table 14.

[34] Speech by Mr. Paul Bryan, Minister of State for Employment, *Times* (London), September 30, 1970.

TABLE 7. GREAT BRITAIN: DISTRIBUTION OF EMPLOYEES BY INDUSTRY GROUP,[1] JUNE 1969

Industry group	Number of employees (in thousands) [1]	Percent
Total	22,600	100.0
Agriculture, forestry, and fishing	391	1.7
Mining and quarrying	442	2.0
Manufacturing	8,741	38.7
Construction	1,446	6.4
Gas, electricity, and water	397	1.8
Transport and communication	1,552	6.9
Distributive trades	2,702	12.0
Insurance, banking, finance, and business services	893	4.0
Professional and scientific services	2,774	12.3
Catering, hotels, etc.	589	2.6
Miscellaneous services	1,296	5.7
National government service [2]	558	2.5
Local government service	820	3.6

[1] On basis of 1968 Standard Industrial Classification.
[2] Mainly white-collar workers.

NOTE: Because of rounding, sums of individual items may not equal total.

SOURCE: Central Statistical Agency, *Monthly Digest of Statistics*, February 1971, table 15.

percent of the employees were engaged in manufacturing. (See table 7.) The distributive trades and professional and scientific services were roughly of equal importance as sources of employment, each with about 12 percent of the total. Almost 7 percent of the employees were engaged in transport and communication, and over 6 percent in construction. Less than 2 percent were occupied in agriculture, forestry, and fishing.

Insight into the industry composition of manufacturing employment is provided by table 8. The great importance of the engineering industries is readily apparent. Mechanical, instrument, and electrical engineering, together with shipbuilding, vehicles, and metal goods, not elsewhere classified, employed 3,882,800 workers, or 44.4 percent of the manufacturing total. Metal manufacture (basic iron and steel, aluminum, copper, etc.) accounted for 6.7 percent of the workers in factory employment. Other industry groups with more than 5 percent of manufacturing employment each were food, chemicals, textiles, clothing and footwear, and paper, printing, and publishing.

For manufacturing as a whole, about 26 percent of the employees in 1969 were engaged in administrative, technical, and clerical occupations. In the engineering and related industries in 1969, the proportion of administrative, technical, and clerical personnel, at 29.6 percent, was somewhat higher than for manufacturing as a whole. (See table 9.) The proportions of

TABLE 8. GREAT BRITAIN: DISTRIBUTION OF EMPLOYEES BY MANUFACTURING INDUSTRY GROUP,[1] JUNE 1969

Industry group [2]	Number (in thousands)	Percent
Total	8,740.8	100.0
Food, drink, and tobacco	849.6	9.7
Coal and petroleum products	58.0	.7
Chemicals and allied industries	470.4	5.4
Metal manufacture	584.6	6.7
Mechanical engineering	1,180.6	13.5
Instrument engineering	149.6	1.7
Electrical engineering	903.4	10.3
Shipbuilding and marine engineering	189.5	2.2
Vehicles	827.2	9.5
Metal goods, n.e.c.	632.5	7.2
Textiles	696.2	8.0
Leather, leather goods, and fur	56.7	.6
Clothing and footwear	501.3	5.7
Bricks, pottery, glass, etc.	344.9	3.9
Timber, furniture, etc.	307.9	3.5
Paper, printing, and publishing	641.3	7.3
Other manufacturing	347.1	4.0

[1] On basis of 1968 Standard Industrial Classification.
[2] For estimates of employment for detailed manufacturing industries, see Central Statistical Agency, *Annual Abstract of Statistics*, 1970, table 135.

NOTE: Because of rounding, sums of individual items may not equal total.

SOURCE: Central Statistical Agency, *Monthly Digest of Statistics*, February 1971, table 16.

skilled and semiskilled workers were similar for the group of industries and together represented 54.9 percent of total employment. The "other" category—15.7 percent of the total—presumably consisted mainly of unskilled workers.

During the entire postwar period, labor requirements have pressed heavily on manpower resources. This pressure has been reflected in extremely low rates of unemployment during most years in the period. Table 10 shows unemployment rates, separately for males and females, for the years 1960–70. The highest annual rate of total unemployement (2.6 percent), and for males separately (3.6 percent),

TABLE 9. GREAT BRITAIN: PERCENTAGE DISTRIBUTION OF EMPLOYMENT IN ENGINEERING AND RELATED INDUSTRIES BY OCCUPATIONAL GROUPS, MAY 1969

Industry	Total employed		Percentage of employment [1] in—			
	Number	Percent	Administrative, technical, and clerical	Skilled operatives	Semi-skillled	Others
All industries	3,611	100.0	29.6	27.7	27.2	15.7
Engineering and electrical goods	2,127	100.0	33.1	26.9	26.2	13.9
Shipbuilding and marine engineering	147	100.0	19.7	53.7	10.2	17.0
Vehicles	803	100.0	28.0	28.4	27.4	16.3
Metal goods, n.e.c.	534	100.0	20.8	22.5	35.4	21.5

[1] Apprentices and others being trained included in occupational groups shown.

NOTE: Because of rounding, sums of individual items may not equal totals.

SOURCE: Central Statistical Office, *Annual Abstract of Statistics, 1970*, table 132.

TABLE 10. GREAT BRITAIN: UNEMPLOYMENT RATES,[1] 1960–70

Year	Percentage unemployed		
	Total	Males	Females
1960	1.6	1.8	1.3
1961	1.5	1.7	1.1
1962	2.0	2.3	1.4
1963	2.5	3.0	1.6
1964	1.6	1.9	1.1
1965	1.4	1.7	.9
1966	1.5	1.9	.9
1967	2.4	3.0	1.3
1968	2.4	3.2	1.1
1969	2.4	3.3	1.0
1970	2.6	3.6	1.0

[1] Includes school leavers and those temporarily stopped.

SOURCE: *Department of Employment Gazette*, February 1971, tables 104–106.

was for 1970. The highest female rate (1.6 percent) occurred in 1963. The male rate has been consistently above the female rate, reflecting in part the fact that male employment is more highly concentrated in industries (e.g., manufacturing, mining, railroading) and occupations (e.g., manual) where unemployment is more likely to occur. Possibly, jobless males are more likely to register at the employment exchanges, which provide the basic source for the unemployment counts.

The national unemployment rate conceals significant regional variations. In 1970, for example, the total unemployment rate varied in England from 1.6 percent in the important South East region to 4.8 percent in the Northern region. Scotland (4.3 percent) and Wales (3.9 percent) also had rates significantly higher than the national average. On the other hand, rates in East Anglia (2.2 percent) and the Midlands (2.3 percent) were relatively low.

British and United States unemployment rates are not closely comparable because of differences in concepts, definitions, and collection methods.[35] On balance, British procedures, compared with those in the United States, appear to yield somewhat lower rates. It has been estimated, for example, that the British national unemployment rate of 2.4 percent for 1969 would have been 3.7 percent if adjusted to United States concepts and procedures.[36] Nevertheless, the British unemployment statistics (and related statistics on unfilled notified job

[35] See Joseph S. Zeisel, "Comparison of British and U.S. Unemployment Rates," *Monthly Labor Review*, May 1962, pp. 489–501.

[36] Constance Sorrentino, "Unemployment in the United States and Seven Foreign Countries," *Monthly Labor Review*, September 1970, pp. 12–23.

vacancies) provide much insight into the condition of the labor market.

National Service System

As of the end of June 1969, H.M. Forces (including the Women's Services) numbered 380,000. Of this number, 172,000 were in the Army; 108,000 in the Royal Air Force; 85,000 in the Royal Navy and Royal Marines; and 14,000 in the Women's Services. Service manpower in 1969 accounted for about 1.5 percent of the working population.

The strength of the regular Forces is maintained through voluntary enlistment. The regular Services are backed up by various reserve and auxiliary forces. For example, the Regular Reserve of the Royal Air Force consists of former full-time officers and airmen, a few of whom are detailed for specific tasks in emergency; the remainder have a statutory liability for recall. The Royal Auxiliary Air Force and the Royal Air Force Volunteer Reserve are liable for part-time training and for recall in an emergency.

Young recruits to the noncommissioned ranks of the regular Services, in addition to basic military training, are given the opportunity to qualify by examination for the General Certificate of Education at "O" or "Ordinary" level. Passes in various subjects in this examination are widely accepted for entry to courses of vocational training. Moreover, trade and technical training for Service purposes followed by experience is recognized in many cases by trade unions as a qualification for membership by men who have left the Service.

Special Characteristics of the Work Force

Adam Smith observed long ago that ". . . man is, of all sorts of luggage, the most difficult to be transported." [37] Obstacles to geographic mobility, to which Smith had particular reference, arise from attachment to family and friends, to town or countryside, the costs of relocation, and lack of information on job opportunities elsewhere. Occupational mobility is inhibited by reluctance to relinquish acquired skills, and by opportunity or capacity to develop new or higher skills. In general, studies in the United States have shown that the degree of labor mobility is related directly to factors such as age, family responsibility, and education.

Statistics on the various aspects of labor mobility (geographic, industrial, occupational) appear to be lacking in Britain. Certain regions (Scotland, Wales, and the North, North West, and Yorkshire-Humberside regions in England) have experienced a relative loss of population during the postwar period. Other regions (the East and West Midlands, East Anglia, the South East, and the South West) have made relative gains. In general, expanding industries have been able to recruit the additional labor required, and labor has flowed into expanding occupations through the normal operation of the labor market, including the work of such labor market institutions as the employment exchange system and special employment and counseling services for youth.

The government has several programs calculated to increase labor mobility. One of these is a system of grants and allowances to workers who are unemployed (or who will be "redundant" [38] within 6 months) and who take jobs beyond daily traveling distance of home. Financial assistance for a worker with dependents who settles permanently in a new area includes the cost of the removal of household goods, incidental expenses, dependents' fares, and assistance with the sale or purchase of a house. Regardless of dependents, a worker who takes employment in a new area may be entitled to certain types of assistance, such as free fare to the new location and a small settling-in grant. If the worker continues to maintain dependents in the original area, he may be provided a lodging allowance and partial payment of fares for visits home. There are, of course, rules of eligibility for these types of assistance. The program is administered through the employment exchanges.

The government within recent years also has acted to stimulate job training within industry and in government training centers. These programs were described in Chapter III. Such programs enhance occupational mobility by providing broad opportunities for the upgrading

[37] *The Wealth of Nations* (World Classics edition), I, p. 83.

[38] Workers are "redundant" who are no longer qualified for or needed in their jobs.

and acquisition of skills, and they serve particularly to relieve bottlenecks in the supply of workers to skilled jobs, and to essentially new occupations created by changes in old or the development of new technologies.

The special Youth Employment Service, which is operated in most areas through career offices established by local education authorities, helps to steer young people into occupations and industries where their capacities over the long-term will be best utilized. The employment exchanges provide indispensable intelligence on changing labor requirements for particular occupations, industries, and areas; they mount special job placement programs in cases of large-scale redundancies; and they can suggest the availability of training facilities to unemployed workers who might benefit from training programs. In the case of a declining industry such as coal mining, where the closing of pits can be anticipated well in advance, special programs, including retraining and relocation, have been instituted. In areas where unemployment is relatively high, financial inducements exist for firms to locate in such areas, thus reducing the need for geographic labor mobility; on the other hand, such mobility has been encouraged by the development of New Towns with housing and other amenities.

All in all, substantial attention has been given to the organization of the labor market in Great Britain, and to measures designed to minimize obstacles to labor mobility that exist in all societies.

The labor supply in Great Britain is obviously affected by migration into or out of the country. There is an inward movement from the Irish Republic, where no restrictions on entry presently exist, from Northern Ireland, where unemployment is relatively high, from the Commonwealth countries, and from foreign countries. Excluding those from the Irish Republic, the total flow of migrants into the United Kingdom (few of whom went to Northern Ireland) was 236,900 in 1968, of whom 178,200 were Commonwealth citizens. Outmigration in 1968 totaled 281,000.[39] The population inflow from Ireland has been heavy. It has been estimated in a study by the Runnymede Trust that between 1961 and 1966 Great Britain received at least 675,000 immigrants from the Irish Republic and 180,000 from Northern Ireland.[40]

During the years immediately preceding 1962, when there was no control over Commonwealth immigration, there was a comparatively large influx of Commonwealth citizens from India, Pakistan, the Caribbean, and Africa. As previously noted, it was estimated in 1970 that about 750,000 nonwhite people were in the working population. Control over Commonwealth immigration was first imposed in 1962 and extended by the Commonwealth Immigrants Act, 1968. New legislation on immigration was passed late in 1971.[41]

As a result of this legislation, the inflow of Commonwealth immigrants available for productive work has been drastically reduced.[42] With respect to employment, a voucher system for Commonwealth immigration is now used. There are two voucher categories. Category A vouchers are issued by the Department of Employment with references to skilled or unskilled jobs on the basis of applications by employers. Category B vouchers are applied for and issued through British High Commissions abroad to Commonwealth citizens holding certain qualifications which are recognized and accepted in the United Kingdom. The voucher scheme is primarily a device for the numerical control of immigration. Since June 1969, vouchers have not been issued if the vacancy offered could be filled by suitable local labor. Not more than 8,500 employment vouchers a year may be issued to Commonwealth citizens; voucher holders currently are coming to Britain at the rate of about 4,000 a year.

Foreign workers (i.e., workers from countries outside the Commonwealth) are now a more important source of labor supply, espe-

[39] Central Statistical Office, *Annual Abstract of Statistics*, 1970, table 19.

[40] The place of birth of about 24,000 Irish immigrants was not ascertained. See *Times* (London), February 1, 1971.

[41] The immigration Act of 1971 replaced the Aliens Restriction Act, 1914; the Commonwealth Immigrants Acts, 1962 and 1968; and the Immigration Appeals Act, 1969, with a single code of permanent legislation on immigration control.

[42] The flow of dependents of Commonwealth immigrants already in Britain has continued at a substantial rate, but the dependent backlog is expected to be cleared by 1972.

cially for work in domestic service, nursing, hotels, and restaurants. A work permit system for aliens, administered by the Department of Employment, is used. Permits are issued only in response to specific offers of employment and are subject to three general conditions: (a) the proposed employment is reasonable and necessary; (b) adequate efforts have been made by the employer to find suitable labor from among British subjects or foreigners long resident in Britain; and (c) the proposed wages and conditions of employment are no less favorable than those normally accorded British employees for similar work in the trade in the district. About 50,000 permits are now issued annually. Alien workers, mostly from European countries, fill some of the gaps created by the control of Commonwealth immigration. As already pointed out, immigration from the Irish Republic is not restricted and provides an important flow of workers into mainly unskilled and semiskilled jobs.

The tide of nonwhite immigrants into Britain during the late 1950's and early 1960's created problems of racial adjustment. The total nonwhite population in 1969 has been estimated at 1.5 million in a study by demographic experts commissioned by the Runnymede Trust.[43] This number represented only about 2.8 percent of the total population of Great Britain in 1969, but the proportion was substantially greater in some communities and in neighborhoods within these communities. Racial tensions and the emergence of discriminatory treatment of nonwhite residents resulted in the passage of the Race Relations Act, 1965, which made discrimination unlawful on the ground of color, race, ethnic or national origin in places of public resort or in the transfer of tenancies. Public incitement to racial hatred was made a criminal offense. This Act was followed by the Race Relations Act, 1968, which was specifically directed to discrimination in employment and in general broadened and extended (e.g., to education) the anti-discriminatory clauses of the earlier Act.

The Race Relations Act, 1968, with some exceptions, bans discrimination in hiring, terms and conditions of employment, opportunities for training and promotion, and dismissal. Trade unions and employers' organizations are forbidden to refuse on racial grounds to admit a person to membership on like terms as other applicants, or to expel him on other than like terms. He must be accorded the same benefits as other members, and like actions must be taken on his behalf. The 1968 act also broadened the authority of the Race Relations Board, the principal enforcement agency. With respect to employment discrimination, the act contains special provisions to take account of voluntary conciliation machinery existing in industry to deal with discrimination disputes.

[43] See *Daily Telegraph* (London), March 16, 1971.

PART II. GOVERNMENT AND LABOR

Chapter V. Government

Public Administration

As of January 1, 1971, the "nonindustrial" (mainly white-collar) civil service staff of the national government numbered 505,600, excluding the Post Office.[44] Of this number, 113,000 were employed by the Ministry of Defense; 74,000 by the Department of Health and Social Security; and 71,500 by the Board of Inland Revenue. These three agencies accounted for 51 percent of the total. The Department of Employment, where most functions relating directly to labor are lodged, had a staff of 31,600.

In addition, the national government had 206,500 employees classified as "industrial" (mainly blue-collar) staff, again excluding the Post Office. Of this number, 70 percent were employed by the Ministry of Defense, and most of the remainder by the Department of the Environment, a new agency which includes staff from the Ministries of Public Building and Works, Housing and Local Government, and Transport. The "industrial" staff is employed in Admiralty dockyards, government arsenals, and other enterprises not directly related to public administration.

Members of the Home Civil Service (i.e., the nonindustrial staff) largely belong to one of six main classes—the *administrative*, responsible for advising Ministers on policy; the *executive*, responsible for the day-to-day conduct of government business; the *specialist*, including scientists, engineers, doctors, lawyers, economists, and other types of professional workers; the *clerical*; the *typist and machine operator;* and the *messenger*, which includes office cleaners and similar workers. There are also specialized departmental classes, such as the Factory Inspectorate in the Department of Employment and the Tax Inspectorate of the Board of Inland Revenue. The Diplomatic Service, which provides staff for the Foreign Office and for embassies and consular posts abroad, has its own employment structure.

The members of the administrative classes, who number fewer than 4,000, constitute the elite of the civil service. Historically, they have been recruited mainly from the ancient universities of Oxford and Cambridge, although in recent years the area of recruitment has widened. The executive classes, who constitute roughly 17 percent of the service, are engaged primarily in managerial activities (e.g., as managers of employment exchanges or as heads of operating divisions or smaller units at departmental headquarters). Almost a quarter of the civil service staff is found in the specialist classes, and their duties cover the full range of professional work from accountancy to zoology. The most numerous group is composed of the clerical classes, who account for approximately 38 percent of civil service employment.

Civil servants are recruited mainly by competitive examination, and the Service has achieved an enviable reputation for competence, objectivity, and devotion to duty. Changes of government do not involve changes in departmental staff, who continue to operate regardless of the party in power. In the exercise of their duties, civil servants are protected by the principle of ministerial responsibility, which means that the minister must take the brunt of criticism for any shortcomings in his department. By the same token, ministerial decisions, which may in fact be taken by the cabinet, must be accepted and acted upon by the civil servants concerned. In practice, as in any

[44] The Post Office became a public corporation on October 1, 1969.

major country where complex policy decisions must be made, the "higher civil service" undoubtedly exercises great influence in the formation of public policy.

Pay and other conditions of employment in the nonindustrial civil service are determined through negotiating procedures. The National Whitley Council for the Civil Service, a joint body representing management and employees was established in 1919 to provide machinery for consultation and negotiation for the civil service as a whole. Its functions include "determination of the general principles governing conditions of service, e.g., recruitment, hours, promotion, discipline, tenure, remuneration and superannuation." With respect to salaries, the National Council acts directly only on *general* claims for pay adjustment; that is, claims affecting the entire service. It does not become directly involved in pay claims affecting individual grades or classes. Such claims are resolved essentially through collective bargaining, with resort to arbitration in case of failure to agree. Bargaining is carried on between the appropriate staff association (union) and management as represented by the Treasury or, for a grade confined to a particular department, by officials of the department concerned.[45]

The basic principle of civil service salary determination is "fair comparison with the current remuneration of outside staffs employed on broadly comparable work, taking account of other conditions of service." [46] The standard workweek for office staff is 41 hours in London and 42 hours in the provinces. Lower grades in the service are eligible for overtime pay beyond standard hours. Annual leave varies by grade and length of service up to a maximum of 30 working days. Sick leave on full pay, less any national insurance benefit received, may be granted to permanent civil servants for up to 6 months in any year, and on reduced pay up to a maximum of one year's sick leave in any 4 years. Any employee whose health is permanently impaired may be retired on medical grounds. There is no fixed age of retirement, but normally retirement is at age 60.

[45] See H. M. Douty, "Salary Determination for White-Collar Civil Servants in Great Britain," *Monthly Labor Review*, November 1960, pp. 1158–1165; and "New Agreement for Review of Salaries of White-Collar Civil Servants in Great Britain," *Monthly Labor Review*, May 1961, pp. 487–488.

[46] Royal Commission on the Civil Service, 1953–55, *Report* (London: H.M. Stationery Office, 1955, Cmd. 9613), p. 25.

Administrative Bodies Concerned With Labor

The basic governmental agency dealing with labor is the Department of Employment.[47] The major area of labor interest outside of the jurisdiction of this Department is social security, which is administered by the Department of Health and Social Security.[48] A number of other departments or ministries may perform special tasks—for example, the Department of the Environment has responsibility for the enforcement of safety standards in the railway industry. From time to time, independent or quasi-independent agencies may be established to undertake particular duties. Recent examples are the National Board for Prices and Incomes,[49] established in 1965 as a review and investigatory agency under the 1964–69 incomes policy of the then Labour Government, and the Industrial Relations Commission, created in March 1969 to provide assistance in the improvement of "institutions and procedures of industrial relations" through investigations and recommendations in particular situations.[50]

The accompanying organization chart shows the operation of the Department of Employment as of February 1, 1971. The Department politically is headed by a Secretary of State, assisted by a Minister of State, and a Parliamentary Under Secretary of State. The civil service staff is headed by a Permanent Secretary, who is responsible to the Secretary of State for the organization and efficiency of the Department. The headquarters staff of the De-

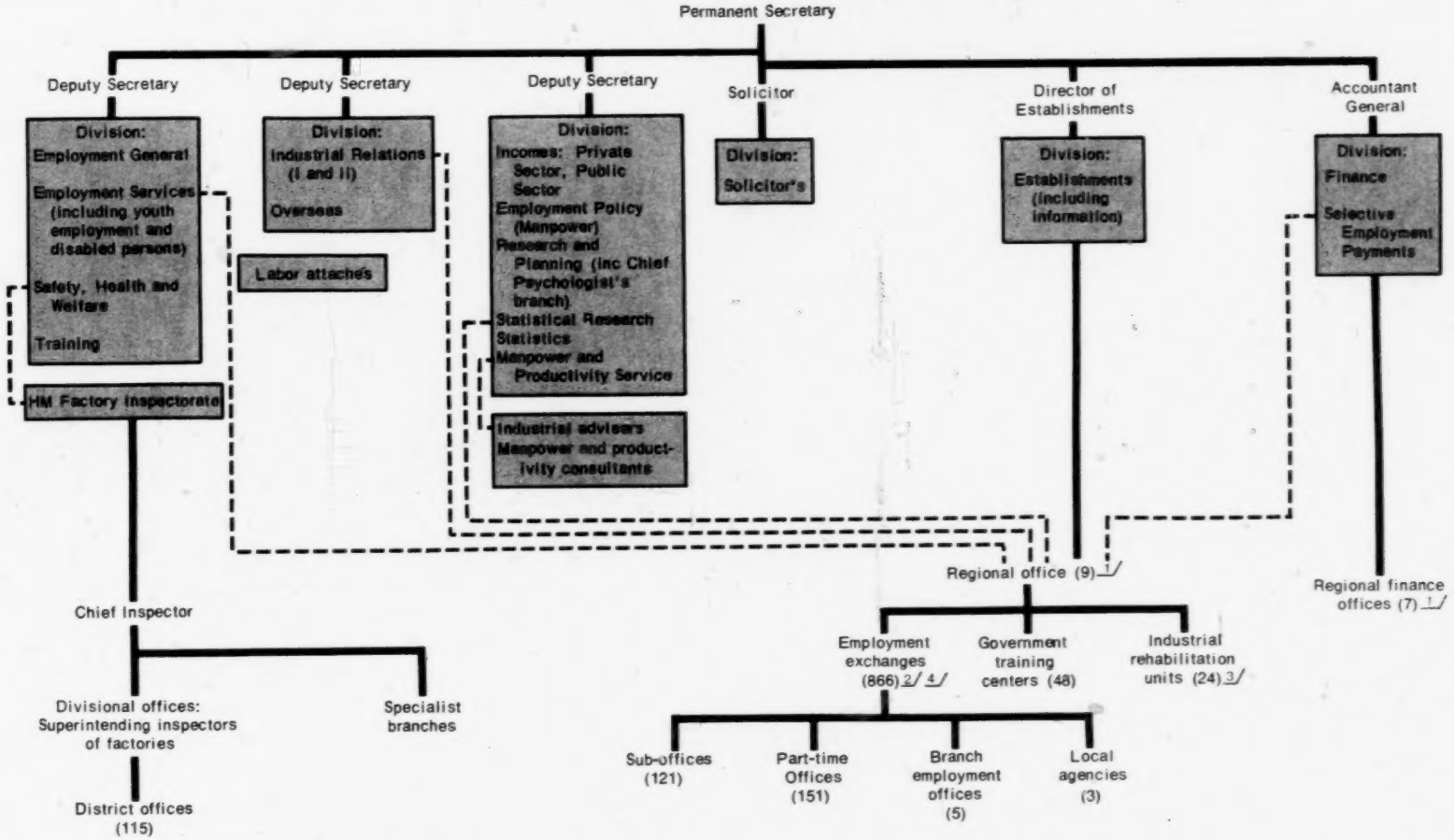
[47] Formerly the Ministry of Labour. In May 1968, the Ministry was renamed the Department of Employment and Productivity; its present title dates from October 1970.

[48] For administrative reasons, unemployment insurance benefit is paid through the employment exchanges of the Department of Employment.

[49] The work of this agency was terminated in 1970.

[50] References to the Commission are made by the Secretary of State for Employment. Under the Industrial Relations Act, 1971, the Commission was placed on a statutory basis and given additional responsibilities. (See ch. VIII, Industrial Relations.)

Organization of the Department of Employment, February 1971



1/ Including Scotland and Wales.
2/ 44 exchanges provide a specialized service for those seeking professional and executive posts and 42 provide occupational guidance.
3/ 22 of these units are attached to government training centers.
4/ 802 exchanges are grouped in an area manager organization.

Source: Department of Employment.

partment is located in St. James's Square in central London and at two other locations (Watford and Runcorn) in the London metropolitan area. Regional organization is extensive.

Some of the major responsibilities of the Department have existed for many years; others are more recent in origin. Its principal responsibilities are summarized briefly:

1. In the field of industrial safety, health, and welfare, the Department is responsible for the administration of the Factories Act, 1961, and the Offices, Shops, Railway Premises Act, 1963. In addition to health and safety as such, the Factories Act contains protective provisions lating to the employment of women and young persons. H. M. Factory Inspectorate dates from the Factories Regulation Act of 1833.

2. Through an extensive network of local offices, the Department operates the employment exchange service for unemployed workers or workers seeking alternative employment. It also administers the Disabled Persons (Employment) Act, 1944, which involves the placement of disabled persons in suitable jobs. For those whose handicap is so severe that they cannot compete under normal working conditions, sheltered employment may be provided. The Department participates in the work of the Youth Employment Service, which operates in most areas through careers offices established by local education authorities.

The Department also issues employment vouchers to Commonwealth citizens, work permits to foreign workers, and administers the provisions against discrimination in employment contained in the Race Relations Act, which became operative in November 1968.

3. The Department plays an active role in industrial relations, and this role will be enhanced by the Industrial Relations Act, 1971. For many years the Department has provided means for conciliation in industrial disputes, and, with the consent of both parties, for arbitration. The Secretary of State, on his own initiative, may also set up an investigation or formal inquiry into an industrial dispute by means of a Court of Inquiry or a Committee of Investigation. As previously noted, he may refer industrial relations questions to the Industrial Relations Commission.

4. The Industrial Training Act, 1964, provided a new framework for the training of workers in industry. The program is decentralized on an industry basis, with the Department of Employment exercising general controls. The Department itself operates a Vocational Training Scheme to help overcome shortages of skilled workers in industries of national importance, and to help disabled persons and others in special need. Most of the work in this program is done at government training centers.

5. The Department compiles basic statistics on employment, unemployment, job vacancies, job placements, wage rates and earnings, hours of work, labor costs, work stoppages, family expenditures, and retail prices. These data appear, at least in summary form, in the *Department of Employment Gazette* (monthly), and are represented in various publications of the Central Statistical Office.

The Department issues numerous separate publications on various aspects of its work. Some of these are essentially technical; others are designed for broad distribution. Perhaps special mention should be made of its annual publications on family expenditures and on time rates of wages and hours of work.

6. Among other activities of the Department are those related to the Wages Councils Act, 1959, including the maintenance of an inspectorate to ensure understanding of and compliance with Orders issued under the Act; administration of the Contracts of Employment Act, 1963; and functions related to the Redundancy Payments Act, 1965. The international activities of the Department are described briefly in the following section of this chapter.

The Department of Health and Social Security has responsibility for the administration of Britain's comprehensive system of social security and of the National Health Service.

1. The present contributory national insurance programs, which came into operation in 1948, include benefits payable in the event of sickness, unemployment, and maternity; old-age pensions; death grants; and benefits for widows and their children.

2. The industrial injuries scheme (workman's compensation) provides benefits in the case of injury or death arising out of employment.

3. The family allowance program, financed from general revenues, provides an allowance for each dependent child other than the first, regardless of family income.

4. The supplementary benefits program (formerly national assistance) is designed to bring a person's resources up to the standards approved by Parliament. Unlike entitlement to national insurance, the payment of supplementary benefit involves a means test.

5. War pensions (disablement pensions and pensions to war widows) are also administered by the Department of Health and Social Security.

6. Finally, the Department administers the National Health Service for England and Wales,[51] which provides, subject to certain charges and small contributions collected through the national insurance system, free medical, dental, and hospital care to all residents of Britain. The Department also is responsible for certain aspects of public health (e.g., health control at seaports and airports).

[51] The health services are somewhat differently organized in Scotland and Northern Ireland. In Scotland, the responsible minister is the Secretary of State for Scotland.

Participation in International Organizations

The Department of Employment is responsible for all relations between the United Kingdom Government and the International Labor Organization. With respect to manpower and social affairs, it provides the link with all overseas bodies, such as the Council of Europe and the Organization for Economic Cooperation and Development. It also provides, through the Overseas Development Administration of the Foreign and Commonwealth Office, technical assistance on manpower and industrial relations questions to developing countries through international or bilateral arrangements, and gives some assistance to Canadian, Australian, and New Zealand authorities in organizing recruitment in Britain for emigration.

The Department keeps in touch with trends and developments in labor matters in other countries mainly through a network of labor attaches in British embassies in various parts of the world.

Chapter VI. Legislation Affecting Labor

Constitutional Guarantees

As explained in chapter I, Britain does not possess a written constitution, in the sense of a single document. Its constitution consists, rather, of statutes enacted by Parliament, of the common law, and of usages that have acquired the status of operating principles. The rights and liberties of citizens, therefore, are reflected in statutory and common law and in usages that have developed over the centuries with respect to freedom of speech, association, and other attributes of a democratic society. The guarantees are essentially the same as those in the United States.

Summary of Basic Labor Legislation

Under the common law, the right of a man to choose his employer is regarded as a fundamental freedom which distinguishes an employee from a serf. The rights and duties of employers and employees therefore are viewed as governed primarily by the contracts into which the individual employer and employee have freely entered. Even if the terms are not explicitly stated, a contract is still valid and entitles the employer to service and the employee to wages or salary according to the normal practice in the trade or industry. In essence, ". . . the law thus refuses to look upon the workers in a factory as one entity. It dissolves the existing workshop community in a series of individual contracts, and does not make its sanctions available to those organs of representation and joint consultation which play such an important role in the life of industry." [52]

[52] O. Kahn-Freund, "Legal Framework," in Allan Flanders and H. A. Clegg (editors), *The System of Industrial Relations in Great Britain* (Oxford: Basil Blackwell, 1954), p. 50.

In fact, the determination of terms and conditions of employment (which in effect constitute the terms of contract between employers and individual employees) now are made largely through collective bargaining over broad reaches of British industry. Up to 1971, this development occurred within a very limited framework of statutory law. Trade unions gradually gained freedom from legal disabilities, the principal act on which their status was based for a hundred years being the Trade Union Act of 1871. Under this act, unions were no longer illegal at common law on the ground of restraint of trade. Subsequent legislation ensured the right of peaceful picketing, the security of union funds, and the right of unions to expend money for political purposes. The Trade Dispute and Trade Union Act of 1927 (passed as a result of the 1926 general strike) placed various restrictions on trade union activity. However, this act was repealed in 1946, and the position which had existed before the act of 1927 was restored.

The elaborate arrangements for collective bargaining that developed in Great Britain were based on voluntary agreement. No employer in private industry was under any legal obligation to recognize unions or to bargain collectively.[53] Collective bargaining contracts as such were not enforceable by law. Strikes or lockouts, whether legal or illegal in other respects, could not be complained of in court as a breach of a collective bargaining agreement.

The Industrial Relations Act of 1971, which repeals the Act of 1871 and either repeals or amends certain other industrial relations acts, provides, for the first time, a comprehensive framework of law for the conduct of labor-management relations. This break with tradition helps to explain why the act was received with such bitter hostility by the labor movement. The main provisions of this new and highly important legislation are outlined in Chapter VIII.

Aside from industrial relations legislation, a substantial body of protective labor legislation exists. This legislation is not embodied in a single "code," as it is in some countries, but is found in specific statutes enacted at various times. One part of this body of law is aimed at the regulation of wages, holidays, and holiday pay in trades or industries where voluntary negotiating machinery is either nonexistent or ineffective. The statutes presently in force are the Wages Councils Act, 1959; the Agricultural Wages Act, 1948; and the Agricultural Wages (Scotland) Act, 1949.

The Factories Act, 1961, sets forth requirements for industrial health and safety in manufacturing and certain other employments, and regulates the hours of work of women and young persons in such employments. The Offices, Shops, and Railway Premises Act, 1963, relates to employee health and safety in the types of establishments indicated by its title. Specific safety legislation exists for mines and quarries, agriculture, railroads and air transport, and merchant shipping.

Other important legislative measures affecting labor conditions include the Contracts of Employment Act, 1963, which provides that written information must be given to employees of the main terms of their employment, and gives both employers and employees rights to minimum periods of notice to terminate employment; the Redundance Payments Act, 1963, which provides for severance pay to employees who are dismissed because the employer no longer has need for their services; the Industrial Training Act, 1964, which makes provision for job training (largely within industry) of persons over statutory school leaving age; and the Equal Pay Act, 1970, which does not come into force until December, 1975.

In addition, a body of legislation relates to social insurance against unemployment, sickness, old age, and industrial accidents; the payment of family allowances; the provision of supplementary benefits to assure the maintenance of minimum income standards; and for provision of general medical, hospital, and dental care.

These various forms of legislative protection for workers (and in some cases for members of the community generally) are considered at

[53] Public corporations administering nationalized industries generally were required "to enter into" or "to seek" consultation with appropriate organizations with a view to the establishment of machinery for collective bargaining and joint consultation.

various points in the course of this study. For the convenience of readers, a listing of major statutes is given in appendix A.

Enforcement

Reasonable efforts are made in Great Britain to familiarize employers and workers with the provisions of applicable labor legislation. Employers' federations and trade unions participate in this effort. The aim, of course, is to minimize violations resulting from ignorance of legal requirements.

Formal enforcement largely involves the use of inspection procedures. H.M. Factory Inspectorate, for example, which is located in the Department of Employment, has responsibility for the enforcement of the Factories Act regarding health and safety in industrial employment and the working hours of women and young persons. The principal duty of inspectors is to visit factories either routinely or in response to complaints. An inspector has the right of entry into a factory and the right to examine any person found in the factory, either alone or in the presence of some other person. He can require the person examined to sign a declaration. He may institute legal proceedings against the occupier of the factory or other person responsible in situations that appear to involve a breach of law. Normally, he will seek to obtain compliance through cooperation rather than legal action.

Generally, visits to factories are made without notice. These visits include: (1) general inspections to check for compliance throughout the factory; (2) special visits to investigate particular matters; and (3) follow-up visits to determine whether matters previously brought to the attention of factory management have been corrected. The Factory Inspectorate has about 600 inspectors, together with supporting staff. New recruits are selected and trained carefully. General inspectors are backed up by specialists (e.g., medical). A detailed report is issued annually on the work of the Inspectorate.

Inspectorates exist for the enforcement of health and safety standards in other industries, including mining, railroads, agriculture, and air transport. The Factories Inspectorate, in cooperation with local authorities, is responsible for inspections under the Offices, Shops, and Railway Premises Act. The Wage Regulation Orders issued for trades and industries for which Wages Councils have been established are enforced through the Department of Employment. As of December 31, 1969, 146 wages inspectors were employed full-time on visiting employers' premises, making routine inspections, and investigating complaints. Over 50,000 wages inspections were made in 1969.

In general, the approach to enforcement of the provisions of protective labor legislation is not punitive. Reasonable efforts are made in the case of violations to secure voluntary compliance. With respect to industrial health and safety, marked emphasis is on preventive activities, and employers are encouraged, where possible, to exceed minimum standards. But legal sanctions do exist and are used when necessary to secure compliance with statutory requirements.

PART III. LABOR AND MANAGEMENT

Chapter VII. Labor and Management Organizations

Labor Organizations

Trade unionism plays a highly significant role in British economic and political life. As in the United States, the rise of British trade unionism represented largely an indigenous working class development. The movement produced its own leaders and its own program. Historically, it has placed, and continues to place, great emphasis on economic action to advance the status and well-being of its members through the establishment and elaboration of rules governing the terms and conditions of employment. Its basic tactic is collective bargaining and, where feasible, control of the supply side of the labor market through measures such as the regulation of apprenticeship. Historically, a basic concern of the movement has been freedom from legal impediments to the exercise of collective action in the economic struggle.

The trade union movement has sought through legislation to secure protection against industrial hazards to safety and health; limitation on hours of work for women and children; minimum wage standards in industries without effective negotiating machinery; a comprehensive system of social security; and the elimination of educational and other barriers to equality of economic and social opportunity. Measures toward these ends have been the monopoly of no single political party, but politically, in the present century, the union movement has been closely identified with the Labour Party through the affiliation of individual unions.

The total membership of unions that have headquarters in the United Kingdom was 11 million at the end of 1970. (See table 11.) Northern Ireland accounted for 250,000 of this total, and about 65,000 members were in branches, mainly in the Irish Republic, outside of the United Kingdom. Membership in Great Britain, therefore, was about 10.7 million. This represented approximately 40 percent of the total labor force; the corresponding figure for the United States (in 1968) was 22.9 percent. The proportion of union members to civilian employees (i.e., excluding employers, the self-employed, and members of H.M. Forces) exceeded 43 percent, again markedly higher than in the United States.

During the 1960's total union membership increased by less than half a million, but there was a sharp jump of about 700,000 between 1969 and 1970. The number of women members advanced from 19.8 percent of the total in 1960 to 24.6 percent in 1970. Although blue-collar workers make up the bulk of trade union membership, the white-collar component has been increasing in both absolute and relative terms. One authority estimates that between 1948 and 1964 white-collar union membership increased from 1,964,000 to 2,623,000, a gain of 33.6 percent; during the same period, the increase in blue-collar worker membership was less than 1 percent. In the latter year, white-collar workers accounted for about one-fourth of total union

TABLE 11. UNITED KINGDOM: NUMBER OF UNIONS AND UNION MEMBERSHIP, 1960–70

Year	Number of unions	Membership (in thousands)		
		Total	Male	Female
1960	664	9,835	7,884	1,951
1961	646	9,897	7,905	1,992
1962	626	9,887	7,860	2,027
1963	607	9,934	7,859	2,075
1964	598	10,079	7,936	2,143
1965	583	10,181	7,973	2,208
1966	574	10,111	7,890	2,221
1967	555	9,970	7,724	2,246
1968	533	10,034	7,713	2,321
1969	509	10,307	7,843	2,464
1970 [1]	481	11,000	8,296	2,704

[1] Provisional and subject to revision.

SOURCE: "Membership in Trade Unions in 1970," *Employment and Productivity Gazette*, November 1971.

membership.[54] In the United States in 1964 the proportion was approximately 15 percent.[55]

The increasing importance of the white-collar component of British union membership reflects changes in the composition of employment, growth in white-collar unionism (especially in the public service), and a sharp decline of manual worker employment in a number of traditional areas of union strength (e.g., mining, railroads).

Union membership is highly concentrated in a few unions. (See table 12.) In 1970, 9 unions, each with 250,000 members or more, accounted for 56.0 percent of total union membership; at the other extreme, the 206 smallest unions represented only 0.3 percent of the membership. The 39 unions with more than 50,000 members each contained 85.9 percent of the total membership. Table 13 shows the membership as of 1970 of the 10 largest unions afiliated with the Trades Union Congress, which is described at a later point in this chapter. The number of unions has been declining steadily for many years, primarily through mergers and amalgamations. Between 1960 and 1970, as table 11 shows, the number declined from 664 to 481, or by 27.6 percent, and over the whole period since World War II the drop has been even sharper. Nevertheless, a substantial number of very small unions, such as the Amalgamated Union of Sailmakers with fewer than 100 members, continue to exist along side the giant agglomeration represented by the Transport and General Workers' Union (over 1.5 million members).

Under the various Trade Union Acts beginning with the Act of 1871, British unions were granted certain benefits, particularly in the management of union funds and assets, if they registered with the Registrar of Friendly Societies. Registration was entirely voluntary, but the great majority of union members in 1969 were found in registered organizations. Registration involved a number of requirements, including the adoption by the union of a constitution incorporating a series of provisions designed to assure that union affairs would be conducted in a constitutional manner, and that the rights of its members would be respected. One requirement was for annual reports on membership, income, and expenditures. As shown in Chapter VIII, a new system of registration was incorporated in the Industrial Relations Act, 1971.

In 1969, 328 unions with 8,752,801 members—85 percent of total union membership—were registered with the Registrar of Friendly Societies. The combined 1969 income of these unions was £45,782,000 (US$109,876,800), of which almost 84 percent represented members' contributions. Expenditures during the year were £43,237,000 (US$103,768,800), of which operating expenses amounted to £27,384,000 (US$65,721,160). Many British unions still maintain one or more beneficial programs for their members, and registered unions in 1969

TABLE 12. UNITED KINGDOM: DISTRIBUTION OF TRADE UNIONS BY SIZE, 1970

Number of members	Number of unions	Membership (in thousands)
Total	481	11,000
Less than 500	206	83
500 and less than 1,000	50	35
1,000 and less than 2,500	59	99
2,500 and less than 5,000	50	172
5,000 and less than 10,000	30	199
10,000 and less than 15,000	13	155
15,000 and less than 25,000	21	403
25,000 and less than 50,000	13	452
50,000 and less than 100,000	16	1,111
100,000 and less than 250,000	14	2,188
250,000 and over	9	6,155

SOURCE: "Membership of Trade Unions in 1970," *Employment and Productivity Gazette*, November 1971.

TABLE 13. UNITED KINGDOM: TEN LARGEST TRADE UNION AFFILIATES OF TRADES UNION CONGRESS, 1970

Union	Membership		
	Total	Male	Female
Transport and General Workers' Union	1,531,607	1,318,083	213,524
Amalgamated Union of Engineering and Foundry Workers	1,131,252	1,006,249	125,003
National Union of General and Municipal Workers	803,653	583,854	219,799
National and Local Government Officers Association	397,069	251,269	145,800
Electrical, Electronic and Telecommunication Union/Plumbing Trades Union [1]	392,401	351,545	40,856
National Union of Mineworkers	297,108	291,071	6,037
Union of Shop, Distributive, and Allied Workers	316,387	158,446	157,941
National Union of Public Employees	305,222	132,164	173,058
National Union of Teachers	290,440	78,232	212,208
Society of Graphical and Allied Trades	235,927	155,549	80,378

[1] Represents an amalgamation as of July 1968 of Electrical Trades Union with the Plumbing Trades Union.

SOURCE: Trades Union Congress, *Report*, 1970, pp. 791–829.

[54] George Sayers Bain, *Trade Union Growth and Recognition*, Royal Commission on Trade Unions and Employers' Associations, Research Paper No. 6 (London: H.M. Stationery Office, 1967), p. 17.

[55] In 1969, the Department of Employment discontinued estimates of the industrial distribution of union membership on the ground that the number of unions with mixed industrial membership was too great for accurate estimates to be made.

paid out £10,720,000 (US$25,728,000) in the form of unemployment, sickness and accident, death, old-age, and other benefits. Strike benefits, not included in the above figure, amounted to only £1,619,000 (US$3,885,600). Miscellaneous expenditures came to £2,696,000. Funds at the end of the year to the account of all registered unions totaled £132,746,000 (US$318,590,000).[56]

The present day structure of the trade union movement reflects historical circumstances as well as adaptation to changing industrial conditions. Modern trade unionism in Great Britain had its origin in local unions of skilled craftsmen and the combination of these locals into district and national organizations. The Amalgamated Society of Engineers, formed in 1851, was the first of the so-called "New Model" unions that dominated the union scene until 1889. These unions exhibited capacity for survival and growth. They were based on relatively high dues, the provision of death and other benefits to their members, limitation of the number of apprentices where possible, and caution in the use of the strike to enforce demands on employers. They were "business unions" primarily concerned with gradual improvement in the wages, hours, and other terms of employment of their members within the existing economic system.

During the 1880's, a number of factors, including a severe depression, the emergence on a small scale of an organized socialist movement, a growing awareness of the problems of the working poor, and the spread of literacy, combined to produce an extension of unionsim to large numbers of unskilled and semi-skilled workers. In the process, new union leadership emerged. The year 1889 is a landmark in British trade union history. Bitter strikes occurred on the docks and elsewhere, and general laborers' unions sprang up all over the country. This "new unionism" differed from the old in both tactics and organization. The new unions tended to have low initiation fees and dues; unlike the older unions of skilled workers, they placed little emphasis on beneficial activities. They depended more on aggressive strike tactics to win concessions from the employers, and hence to retain and expand their membership. Moreover, they were willing to recruit workers without distinction as to type of employment, as indicated by the word "general," which was often found in their titles.

Today, the structure of British trade unionism is exceedingly complex. Pure craft unions are few. Some unions, through amalgamations, became multicraft unions, and some of these, like the Amalgamated Union of Engineering and Foundry Workers, the second largest union in the United Kingdom, opened their doors to semiskilled and unskilled workers. Purely industrial unions are rare; one exception is the National Union of Mineworkers. The general laborers' unions that developed in the 1880's and 1890's merged to form two general unions.

No clear counterpart to the British "general" union exists in the United States. In all but a few industries in Britain, at least one of the general unions can be found. The Transport and General Workers' Union is the product of about 60 amalgamations; it recruits workers in road transport, docks, chemicals, building, engineering, power, automobile, furniture, flour-milling, and a host of other industries. The National Union of General and Municipal Workers recruits manual workers in municipal services, hospitals, power, building, quarrying, glass, rubber, road transport, and in a wide range of other employments. The Union of Shop, Distributive, and Allied Workers, which might well qualify as a third general union, organizes workers in the wholesale and retail distributive trades, in service industries such as catering and laundering, and in a variety of manufacturing industries. All three of these "general" unions now recruit skilled workers and even white-collar employees in some industries. Structurally, British unions simply grew, spreading out from their original organizational nuclei along whatever lines of development appeared appropriate. There has been little central direction, even to the extent, as in the United States, of jurisdictional "charters" issued by a central organization. The Trades Union Congress, however, does have a proce-

[56] Chief Registrar of Friendly Societies, *Annual Report*, Part IV (London: H.M. Stationery Office, 1970).

dure for the consideration of interunion disputes over membership and other issues.[57]

At the apex of the British union structure stands the Trades Union Congress (TUC), which celebrated its centenary in 1968.[58] Not all unions are affiliated with the TUC, but the 155 that were affiliated in 1969 accounted for well over four-fifths of all union members in Great Britain. (The 10 largest affiliated unions are listed in table 13.) In that year, fees paid by affiliated unions, the principal source of TUC income, amounted to £662,264 (US$1,589,433).

A full congress is held annually, and power exists for the convening of special congresses if the need arises. Delegates are allotted to each affiliated union on the basis of its membership, and on controversial issues, where a "card vote" is called for, each union delegation casts its entire vote as a bloc. The work of the annual Congress involves discussion of the Report presented by its General Council, and consideration of motions which seek to determine TUC policy for the coming year.

Between annual meetings, the work of the organization is carried on by its General Council of 36 members who are nominated by unions before the annual congress meetings on a trade or industry group basis, but who are elected by the vote of the whole congress. The chief executive officer of the TUC, and its principal spokesman, is the General Secretary, who is elected by the congress [59] and serves *ex officio* as a member of the General Council.

The TUC is a broadly representative body. It can present with authority the trade union view on matters of general economic and social policy as well as on issues of immediate concern to the institutional life of the trade union movement. Like its counterpart on the management side, the Confederation of British Industry (CBI), the TUC is widely consulted by the Government and is represented on numerous official bodies and advisory committees. It maintains a regular consultative arrangement with the CBI, and occasionally has embarked on joint initiatives with that organization.

As is the case with the AFL-CIO in this country, the TUC has limited formal authority over its affiliated unions. In fact, trade unions do not yield any of their autonomy to the TUC upon affiliation, and congress resolutions and policies are not binding upon them. Nevertheless, the moral authority of the TUC is substantial. It has had considerable success over the years in the resolution of interunion disputes, and more recently it has played an active role in the monitoring of union wage claims under one phase of the Labour Government's income policy, 1964–69, and in intervention in unofficial strikes as an alternative to legislation foreshadowed in a 1969 Labour Government White Paper (*In Place of Strife*) on industrial relations. The structure and activities of the TUC were under review in 1970–71, but the results of the review were not available at the time this monograph was prepared.[60]

International Ties

The TUC participates actively in international labor affairs. It is represented on the General Council of the International Confederation of Free Trade Unions (ICFTU), and participates in the work of the ICFTU's European Regional Organization. British unions are represented in the work of various ICFTU trade union secretariats. The TUC helped to form the Trade Union Committee for the European Free Trade Area, which came into existence on April 1, 1968. It has representation on the Trade Union Advisory Committee to the Organization for Economic Cooperation and Development. It is the responsible body on the trade union side for participation in the work of the International Labor Organization. It participates in the Annual Commonwealth Trade Union Con-

[57] See Trades Union Congress, *Trade Unionism: The Evidence of the Trades Union Congress to the Royal Commission on Trade Unions and Employers' Associations* (London, 2d edition, 1967), pp. 167–171 and appendix A, pp. 191–196.

[58] There is also a Scottish Trades Union Congress (TUC), formed in 1897, which concerns itself almost entirely with matters of interest to trade unionists in Scotland. National unions may affiliate with respect to their membership in Scotland. The Scottish TUC will accept affiliations from trades councils also (i.e., federations of local branches of national unions).

[59] The General Secretary is elected in the first instance, but retains office as long as his work and conduct give satisfaction to the General Council and to the delegates attending the congress.

[60] See *Trades Union Congress: Structure and Development.* Interim Report of the TUC General Council Adopted at the 102d Annual Trades Union Congress, September 1970 (London, 1970).

ference. For many years, the TUC and the AFL-CIO have exchanged fraternal delegates to their annual conferences.

Management Organizations

The most comprehensive organization representing British management is the Confederation of British Industry. Its charter came into effect on July 30, 1965. The new organization represented, in effect, a consolidation of three broadly based employers' associations: the Federation of British Industries, the National Association of British Manufacturers, and the British Employers' Confederation. Its establishment provided industry with an authoritative voice on all matters of economic and social policy. It is the counterpart on the management side of the Trades Union Congress.

The membership of the CBI consists of trade and employers' associations; the distinction is that the former are concerned mainly with commercial and related matters and the latter with industrial relations. Its membership also includes individual companies in productive industry and transport in the private sector. Associate membership status is provided for the nationalized industries, and companies in industries such as banking and insurance may become "commercial associates." At the time of the *Report* of the Royal Commission on Trade Unions and Employers' Associations (1968), the CBI estimated that the 108 employers' associations in its membership represented companies employing more than three-fourths of all workers in the private sector of industry and transport.

The Confederation plays an extremely important role in the formulation of industry views on all major issues of economic and social policy. It consults extensively with government agencies, provides industry representation on numerous advisory bodies, and furnishes many informational and advisory services to its members, including advice on the meaning and application of labor legislation. An example of its joint activity with the TUC is the statement issued in July 1967 on the importance of labor-management efforts to improve efficiency in the use of labor and on procedures for the achievement of that goal. The statement incorporated provisions for a CBI–TUC Steering Committee to exercise ". . . general supervision over the initiative, checking progress, and recommending ways in which it can be improved." The CBI does not become directly involved in collective bargaining negotiations.

Among other general employer or management organizations are the Association of British Chambers of Commerce (founded 1860), which includes within its membership a number of British Chambers of Commerce abroad; the National Chamber of Trade (founded 1897), with numerous affiliates throughout the British Isles; and the Institute of Directors (chartered 1906). The latter organization has a membership of more than 43,000 company directors cutting across all sectors of British industry. Unlike the CBI, these organizations are not concerned, except perhaps peripherally, with the industrial relations system.

Many employers' associations in individual industries have as their sole or principal duty the conduct of negotiations with the particular unions within which workers in their industries are organized, in the settlement of labor-management disputes, and with such aspects of manpower management as apprenticeship and training.[61] In this they differ strikingly from most national employers' associations in the United States. This difference reflects the prevalence in Britain of industrywide bargaining [62] or, alternatively, the establishment of basic labor conditions through statutory boards on which employers are represented. Not all formal bargaining on the employer side, of course, is conducted through associations. Notably in those industries the output of which is controlled by one or a few firms, company bargaining, as in the automobile industry, may be found. Since 1945, moreover, the Nationalization Acts have replaced several employers' associations by single large-scale undertakings with their own negotiating machinery. But in-

[61] Broadly, British employers' associations fall into three categories: (1) those constituted solely for dealing with industrial relations questions; (2) those that, in addition, are concerned with commercial and related matters; and (3) those that confine their activities exclusively to commercial questions.

[62] As shown in Chapter VIII, a dual bargaining system exists in much of British industry. Particularly with respect to wages, industry bargaining is supplemented by bargaining at the plant or company level.

dustry bargaining through employer's associations or federations is widespread. In the large and diverse engineering industry, for example, national bargaining has existed since 1898; the bargains concluded by the Engineering Employers' Federation with the unions concerned now directly affect the basic labor standards in more than 4,500 establishments that employ over 2,000,000 workers.

Much less is known about the organization and operations of employers' associations than about trade unions, but two research studies for the Royal Commission on Trade Unions and Employers' Associations have contributed to our knowledge.[63] These studies indicate that associations vary greatly in size in terms both of membership and income; their industrial relations activities vary from the provision essentially of forums for their membership to, in most cases, the negotiation of minimum employment standards at industry level; many operate disputes procedures (a broad term usually embracing negotiated arrangements for the avoidance of work stoppages at both plant and industry level). Virtually all give advice on industrial relations to their members; many collect statistics, mainly from their members. A substantial proportion of the officials of associations stated that they made little or no effort to influence the industrial relations activities and decisions of member firms; only about one-fourth of the associations [64] confined their activities entirely to industrial relations.

The statutory definition of a trade union proir to the Industrial Relations Act 1971 covered both organizations of workmen and of employers. Employers' associations, having as their principal object the regulation of industrial relations, accordingly had precisely the same legal status as trade unions of workmen.[65] The 1971 Act distinguishes between organizations of workers and of employers; it defines a trade union as a registered organization of workers and an employers' association as a registered organization of employers. However, the legal status of an organization of employers is still the same as that of an organization of workers; the nature of that status depends solely on whether or not the organization is registered under the 1971 act.

[63] V. G. Munns, "The Functions and Organisation of Employers' Associations in Selected Industries" and W. E. J. McCarthy, "A Survey of Employers' Association Officials" in Royal Commission on Trade Unions and Employers' Associations, Research Papers, 7, *Employers' Associations* (London: H.M. Stationery Office, 1967). See also an earlier study by H. A. Clegg, "Employers," in Allan Flanders and H. A. Clegg (editors), op. cit., pp. 197–251.

[64] On the basis of Mr. McCarthy's study; Mr. Munn's study which was not as extensive in terms of association coverage indicated that the proportion was even smaller. See Royal Commission, Research Papers, 7, pp. 4, 101.

[65] Before the passage of the 1971 act, employers' associations were eligible, together with trade unions, for registration with the Registrar of Friendly Societies; the benefits of such registration for employers' associations were not great, however, and comparatively few, in fact, registered. The 1971 act created an Office of Chief Registrar of Trade Unions and Employers' Associations with significant powers and attached severe disabilities to nonregistration. See Chapter VIII.

Chapter VIII. Industrial Relations

Collective Bargaining

The determination of wages and other conditions of employment for blue-collar workers, and increasingly for white-collar workers, is largely a function of collective bargaining in Great Britain. This situation is so in the private sector, the nationalized industries, and in public employment. For industries in the private sector where voluntary bargaining arrangements do not exist, or are ineffective, tripartite satutory boards (Wages Councils and Agricultural Wages Boards) have authority to determine basic wages and certain other terms of employment. This statutory machinery supplements the voluntary collective bargaining system.[66]

[66] On statutory wage regulation, see the Ministry of Labour's *Industrial Relations Handbook* (London: H.M. Stationery Office, 1961), chapter X; F. J. Bayliss, *British Wages Councils* (Oxford: Basil Blackwell, 1962); and Royal Commission on Trade Unions and Empioyers' Associations, 1965–1968, *Report* (London: H.M. Stationery Office, 1968), pp. 57–60.

The present structure of collective bargaining represents the result of a long evolutionary process.[67] It was, to an extraordinary extent, a voluntary development. A leading authority on British labor law has observed that "There is, perhaps, no major country in the world in which the law has played a less significant role in the shaping of these relations than in Great Britain and in which today the law and the legal profession have less to do with labour relations." [68] As seen in chapter VI, various acts of Parliament relating to trade unions largely had the effect, up to 1971, of removing legal disabilities; they did not impose positive duties, responsibilities, or restrictions on either unions or employers. In consequence, at least in the private sector, bargaining arrangements developed out of the play of economic and social forces affecting workers and the unions they created and employers and the associations they devised.[69]

In general, the situation was thus up to 1971, when Parliament passed, over widespread union opposition, the Industrial Relations Act, which received the Royal Assent on August 5, 1971. This act, for the first time, provides a comprehensive framework of law for the conduct of industrial relations. Its immediate effect on the industrial relations system, as the Government concedes, will not be profound, but over a period of time it should induce many changes in the conduct, procedures, and structure of bargaining institutions. Probably, a decade will be required for its effect to be felt fully, and, in time, it may be modified on the basis of experience and the winds of political fortune. The major provisions of the new legislation are outlined in the concluding section of this chapter. At this point, the bargaining arrangements as they existed up to the passage of the Industrial Relations Act are briefly described.

The recent (1965–68) Royal Commission on Trade Unions and Employers' Associations [70] characterized British collective bargaining arrangements as a "two tier" system. In the words of the Commission, "Britain has two systems of industrial relations. The one is the formal system embodied in the official institutions. The other is the informal system created by the actual behaviour of trade unions and employers' associations, of managers, shop stewards and workers." [71] The formal system consists largely of the national trade unions and employers' associations which negotiate agreements on an industry basis; the informal system largely involves workers, their elected shop stewards, local union officials, and employer representatives at the local plant or company level.

Industry bargaining did not develop full-blown in British industry. By the late 19th century, agreements between unions and employers were typically by district. Industry-wide negotiations developed slowly, but were given considerable impetus by the various reports of the Committee on the Relations between Employers and Employed, the Whitley Committee, from the name of its chairman, J. H. Whitley, M. P., established by the Government in 1916, and by the growth of trade unionism during World War I. From the standpoint of the unions, industry bargaining was a promising approach to the establishment of standard rates of pay for similar jobs throughout industry, an historic union objective documented by the Webbs.[72] Other terms of employment also could be standardized. Moreover, it was believed that industry bargaining would tend to foster union solidarity and the development of common interests among union mem-

[67] See E. H. Phelps Brown, *The Growth of British Industrial Relations* (New York: St. Martin's Press, 1959). Although published a decade ago, the Ministry of Labour's *Industrial Relations Handbook*, parts III and IV, contains a valuable account of joint negotiating machinery in private industry and in the nationalized industries.

[68] O. Kahn-Freund, "Legal Framework," in Flanders and Clegg (editors), op. cit., p. 44.

[69] In the public sector, the administrative organs of the nationalized industries generally were required to seek to establish machinery for collective bargaining and joint consultation.

[70] The *Report* of this Commission, the testimony of witnesses before it, and the research studies that it commissioned provide great insight into the industrial relations system as it appeared in the second half of the 1960's.

[71] Royal Commission . . ., *Report*, p. 12.

[72] See Sidney and Beatrice Webb, *Industrial Democracy* (London: Longmans, Green, and Co., 1897).

bers. It also had attractions for employers, notably in restraining "unfair" competition through the undercutting of employment standards. For example, simultaneous wage increases would at least preserve the relative wage cost position of firms, and, if costs rose, all firms could raise prices in coordination. More generally, industry bargaining over major issues presumably would inhibit disputes over these issues at individual firms.

The present scope and nature of industry bargaining needs to be clearly understood. Insofar as wages are concerned, industry agreements, with comparatively rare exceptions, do not determine effective rates of pay—that is, the rates actually paid in particular plants or companies subject to an agreement. This fact is recognized explicitly in some national agreements. In rubber manufacturing, for example, the agreement states: "The only wage rates to be specified in the National Agreement are those for minimum weekly wages. There are no separate provisions concerning workers paid by results and their rates, with those of time workers, and including earnings for skill, responsibility and incentive, will be determined at local level."[73] In a study of selected employers' associations for the Royal Commission, one authority found only one association, the National Federated Electrical Association, that ". . . regulates the wage structure for the industry and does not permit variations from the wage rates agreed nationally."[74] And it is stated in the general preface to the study by Munns, and the broader study by McCarthy, that ". . . in most industries associations must continue to allow for local bargaining by shop stewards, even if this results in wide disparities between earnings levels among member firms and the development of so-called 'wage drift'."[75] These findings are echoed in the *Report* of the Royal Commission.

However, national bargains are not unimportant with respect to wages. They do establish minimum rates of pay either for broad categories of workers or, as in engineering, for certain benchmark jobs. Most importantly, they specify general rates of pay increase. These increases, however, must then be factored into wage structures at the local level, and it is at this point that local bargaining plays a critical role. Moreover, the wage structure of a plant is rarely static; it must be administered to accommodate changes in technology, work arrangements and flows, and other conditions that influence pay. These changes usually cannot be anticipated in national bargains and must be dealt with at local level.

In addition to basic or minumum rates of pay, national agreements contain other terms of employment from which comparatively little local variation can be expected. These terms vary among agreements, depending in part on the nature of the industry, but in general include provisions relating to standard hours of work, holidays, annual vaction, premium pay for overtime, late-shift work, work on Sundays or holidays, and termination of employment. Many agreements contain a guarantee of employment, usually on a weekly basis. Thus, the engineering agreement provides subject to a number of conditions, "All hourly rated manual workers who have been continuously employed by a federated firm for not less than 4 weeks shall be guaranteed employment for 5 days in each normal pay week. In the event of work not being available for the whole or part of the 5 days, employees covered by the guarantee will be assured earnings equivalent to their time rate for 40 hours."[76] The national agreement in the building industry, reflecting the special problems in construction, includes provisions relating to extra payments for work involving discomfort, inconvenience, or risk, tool allowances, and travel and lodgings allowances.[77] Many national agreements also contain a "Procedure Agreement" for the resolution of disputes. Such provisions are discussed in the section of this chapter dealing with dispute settlement.

In substance, a national agreement incorporates a number of basic terms of employment that are observed generally throughout the in-

[73] National Joint Council for the Rubber Manufacturing Industry, Memorandum of Agreement, January 1971, appendix C, clause 4 (i), p. 37.

[74] Munns (and accompanying study by McCarthy), op. cit., p. 6.

[75] Ibid, p. xi.

[76] Engineering Employers' Federation, *Foreman's Guide to National Agreements* (1971), p. 35. The clause cited was agreed to in 1964.

[77] National Joint Council for the Building Industry, *National Working Rules for the Building Industry* (1970).

dustry concerned. But much is left to local determination. Effective (or actual) rates of pay, in contrast with the minimum rates usually specified in agreements, typically involve negotiation at the plant or company level. Moreover, national agreements frequently do not deal with, or provide only general guidelines to, a variety of other problems that arise in day-to-day work force administration. These include shift rotation, the distribution of overtime hours, methods of pay, and individual or group grievances over physical working conditions, work assignments, and disciplinary decisions. Considerable scope clearly exists for decision-making at the plant level.

In such decisionmaking, the shop steward plays a crucial role from the union side. Fully to appreciate his role requires comment on three aspects of British union organization. The first is that typically more than one union will have representation in a given plant. Multiunionism is by no means absent in the United States (e.g., in building, printing, railroading), but it is endemic in British industry. It reflects the growth of "general" unions, taking in largely the less skilled workers, along side of craft or modified craft organizations. The second is that local or branch unions are organized mostly on an area rather than a plant basis, which means that the membership of a given local usually is spread over a number of plants. The third is that there are comparatively few full-time trade union officials. The *Report* of the Royal Commission estimates their number at about 3,000 for a total union membership of more than 10 million.

In contrast, unions have about 175,000 shop stewards in British industry.[78] Shop stewards represent the worker, to use an old phrase, at the point of production. Even the local union or branch is likely to be remote. If the branch has a full-time officer, he cannot easily keep in close touch with small groups of members scattered over perhaps a score or more factories. The shop steward, on the other hand, is on the scene, and he has been elected by the work group he represents. He often must operate largely on his own authority. As the *Report* of the Royal Commission observes: "Where union rule books mention shop stewards, and many of them do not, they generally say something about method of appointment, and the body to whom the steward is nominally responsible. They may mention the duties of recruiting and retaining members, and collecting subscriptions (dues). If the business of representing members is touched on, little is said about it. Most major unions now have *Shop Stewards' Handbooks*, which set out some of these tasks at greater length. But when it comes to telling the steward what issues he is competent to handle and how he should go about raising them, most handbooks refer the steward to the industrywide agreement in force in his industry. These in turn are rarely comprehensive. Few say much more than the engineering agreement, which authorises the steward to take up questions which the worker or workers directly concerned have been unable to settle with the foreman." [79]

The number of shop stewards within a given plant or facility is affected not only by factors such as the size of the undertaking, its departmental organization, and the occupational composition of the labor force, but also by the extent of multiunionism. The latter factor, while placing a premium on interunion cooperation, may serve also to exacerbate jurisdictional (or demarcation) disputes and to increase grievances and claims affecting members of more than one union.

It is generally conceded that workshop bargaining has increased in importance in recent years. This development was not planned; it grew almost imperceptibly and, for a time, went largely unnoticed. It is no doubt related to the full employment of the postwar years, which tended for two reasons to increase the power of work groups on the shop floor. The first reason is that alternative employment seems readily available. The second is the reluctance of management to risk interruption to output when increased costs usually can be recaptured through product prices. Indeed, the Royal Commission took the view that British managers augmented the influence of work

[78] On shop stewards, seee W. E. J. McCarthy and S. R. Parke, *Shop Stewards and Workshop Relations*, Royal Commission on Trade Unions and Employers' Associations, Research Papers, 1 (London: H.M. Stationery Office, 1968); and J. F. B. Goodman and T. G. Whittingham, *Shop Stewards in British Industry* (London: McGraw-Hill, 1969).

[79] Royal Commission . . ., *Report*, p. 26.

groups ". . . by their preference for keeping many matters out of agreements, by the inadequacy of their methods of control over systems of payments, by their preference for informality and by their tolerance of custom and practice." [80] In these circumstances, in the view of the Royal Commission, ". . . the shop floor decisions which generally precede unofficial strikes are often taken against the advice of shop stewards. Thus shop stewards are rarely agitators pushing workers toward unconstitutional action . . . quite commonly they are supporters of order exercising a restraining influence on their members in conditions which promote disorder." [81]

In any event, an analysis of British industrial relations that centers exclusively on industrywide bargaining misses an important ingredient. Local bargaining helps powerfully to determine many terms and conditions of employment and, of course, the character of labor-management relations in the setting in which production actually is carried on. The terms of national agreements are readily available. Agreements arrived at locally are much less so, for workplace bargains are frequently informal and unwritten.

Settlement of Disputes

Industrial relations disputes may be settled peacefully or they may erupt into strikes or lockouts. Strikes and lockouts are, in effect, social sanctions imposed in an effort to compel agreement. Procedures to minimize such occurrences are generally developed by governments and by the parties to collective agreements, but the existence of the right to strike underlies collective bargaining as it has evolved in democratic countries.[82]

Table 14 shows basic statistics of work stoppages due to labor-management disputes in the United Kingdom for the period 1960–70. The incidence of stoppages generally increased toward the end of the 1960's, and 1970 experienced the largest number of working days lost during the 11-year period or, in fact, since the great general strike of 1926. In terms of the number of workers involved, however, 1962 was the heaviest strike year during the period covered by the table. Four industry groups—basic metals, engineering, shipbuilding, and vehicles—accounted for over two-fifths of the working days lost in 1970, and for even higher proportions (e.g., almost four-fifths in 1962) in many of the other years for which data are shown. The widespread incidence of work stoppages during 1970 is indicated by the number and proportion of working days lost in the "all other" industry category.

[80] Ibid., p. 28.
[81] Ibid., p. 29.

[82] For a brief but excellent statement of the development of British law in relation to industrial conflict, see Kahn-Freund, in Flanders and Clegg (editors), pp. 101–127. See also Royal Commission . . ., *Report*, pp. 219–239, 242–246.

TABLE 14. UNITED KINGDOM: WORK STOPPAGES,[1] 1960–70

Year	Number of stoppages beginning in period	Workers involved in stoppages (in thousands)	Working days lost in stoppages (in thousands)					
			Total	Mining and quarrying	Metals, engineering, shipbuilding, and vehicles	Construction	Transport and communication	All other
1960	2,832	814	3,024	495	1,450	110	636	333
1961	2,686	771	3,046	740	1,464	285	230	327
1962	2,449	4,420	5,798	808	4,559	222	431	278
1963	2,068	590	1,755	326	854	356	72	147
1964	2,524	871	2,277	309	1,338	125	312	194
1965	2,354	869	2,925	418	1,763	135	305	309
1966	1,937	530	2,398	118	871	145	1,069	195
1967	2,116	731	2,787	108	1,422	201	823	233
1968[2]	2,378	2,255	4,690	57	3,363	233	559	478
1969	3,116	1,654	6,846	1,041	3,739	278	786	1,002
1970[3]	3,888	1,775	10,970	1,091	4,548	237	1,304	3,789

[1] Excludes stoppages involving fewer than 10 workers and those lasting less than 1 day, except any in which the aggregate number of working days lost exceeded 100.
[2] Number of stoppages in 1968 not precisely comparable with earlier years because of change in method of reporting and counting stoppages in the port transport industry following decasualization.
[3] Preliminary.

NOTE: Because of rounding, sums of individual items may not equal totals.

SOURCE: *Department of Employment Gazette*, February 1971, table 133, p. 233.

Most stoppages are of short duration. In 1969, the duration of stoppages involving two-thirds of the workers was not more than 6 days. Only about 12 percent of the workers were involved in stoppages lasting 24 days or more.

Most British strikes are "unofficial." The Department of Employment defines an unofficial strike as one "not called or recognized by a trade union." The definition used by Knowles is similar but perhaps slightly more precise: ". . . an unofficial strike is one which is not recognized by the Executive Committee of a union." [83] Roughly 90 to 95 percent of all strikes in Britain are estimated by the Department of Employment to be unofficial. An official strike is one called by the responsible officers of the union or unions concerned, usually after agreed procedural measures to avoid a stoppage have been exhausted, and ordinarily involves the payment of strike benefits. In some cases, an "unofficial" strike, once underway, may be declared "official."

Most unofficial strikes originate on the shop floor and are called by shop stewards, often with prodding from the men they represent. They involve, for the most part, real or alleged grievances and are often "unconstitutional" in the sense that disputes procedures specified in national agreements have not been exhausted. A more or less typical example of an unofficial strike, in this case involving British European Airways, may be cited. On January 25, 1971, a maintenance electrician was dismissed at London's Heathrow airport engineering base for refusal, on instructions from his shop steward, to prepare aircraft engines for dispatch to Rolls Royce for overhaul. Maintenance work at the base had fallen behind because of a work-to-rule and overtime ban imposed by the union several weeks earlier in connection with a pay dispute. On the following day, 15 electricians and 9 fitters refused to undertake work on engines designed for overhaul at Rolls Royce. The were dismissed. At a mass meeting the same day, the entire engineering staff at Heathrow voted to strike in protest; this action was followed later in the day by similar action by BEA engineering staff at Manchester and Glasgow. The airline was shut down. BEA announced its willingness to reinstate the discharged men, if all industrial action (including the work-to-rule and overtime ban) was called off. This was agreed to on January 29.[84]

The Royal Commission concluded that "Unofficial strikes are above all the result of the inadequate conduct of industrial relations at company and plant level. They will persist so long as companies pay inadequate attention to their pay structures and personnel policies and the methods of negotiation adopted at the workplace remain in their present chaotic state. They will also persist so long as neither employers nor trade unions are willing adequately to recognize, define and control the part played by shop stewards in our collective bargaining system . . . and until the confusion which so often surrounds the exercise by management of its 'rights' has been resolved by the settlement of clear rules and procedures which are accepted as fair and reasonable by all concerned." [85]

National collective bargaining agreements do typically incorporate a "Procedure Agreement" designed to provide a mechanism for the resolution of dispute, but these appear, on the whole, to be cumbersome and inefficient devices for the settlement of disputes at plant or company level, especially those involving individual workers or small groups of employees. In the large engineering industry, for example, the Procedure Agreement for adult manual workers (there is a separate procedure for apprentices, boys, and youths) ". . . lays down the procedure to be observed for dealing with questions raised by individual workers, groups of workers or all workers in the plant." [86] The agreement, to which 22 unions are signatories, was last amended in 1955. With respect to disputes involving individual workers or groups of workers, the procedure briefly is as follows: the worker (or workers) directly concerned shall discuss the question with the appropriate foreman; if no settlement is reached, the question shall be taken up with the shop manager or head shop foreman by the

[83] K. G. J. C. Knowles, *Strikes* (Oxford: Basil Blackwell, 1954), p. 30.

[84] *Times* (London), January 27–30, 1971.

[85] Royal Commission . . ., *Report*, pp. 120–121.

[86] Engineering Employers' Federation, *Foreman's Guide to National Agreements* (1971), p. 4. The full Procedure Agreement for manual workers is set forth on pp. 21–28.

appropriate shop steward and the workers (or one of the workers) directly concerned; failing settlement, the question, at the request of either party, may be considered further at a meeting of the plant's Works Committee, consisting of representatives of management and shop stewards; if the issue still has not been resolved, it may be referred for consideration to machinery set up in the national agreement for the avoidance of work stoppages. This is a three-step procedure involving (1) a conference of the local plant management with full-time officials of the employers' association and the trade union or unions concerned; (2) a local conference between union and employers' association representatives; and (3) a central conference between representatives of the Engineering Employers' Federation and the Executive(s) of the union or unions concerned. The agreement provides that no work stoppage shall occur unless this procedure has been carried out.

Specific grievance procedures at plant or company level, with arbitration as the final step, are largely lacking in British industry.[87] The ill-defined authority and responsibilities of shop stewards, the lack in many cases of clear managerial personnel policies, multiunionism, and the informal nature of many agreements reached through local bargaining all contribute to unofficial stoppages and other types of industrial action (go-slow, overtime bans, etc.) at plant level.

The Government has long had authority to assist the parties to an industrial dispute to reach a peaceful settlement. Under the Conciliation Act, 1896, and the Industrial Courts Act, 1919, the Secretary of State for Employment has the power to take action along three main lines.

1. *Conciliation.* In general, the Department of Employment does not intervene in a dispute until available negotiating machinery has been fully utilized. However, the Secretary of State for Employment may take the initiative in offering conciliation, or he may act on the request of one or both parties. He does not have the power to compel the parties to a dispute to take part in conciliation. Where national issues are involved, assistance in dispute settlement is given by headquarters staff of the Department of Employment; manpower advisers stationed in each of the Department's regional offices also are available for conciliation work.

2. *Arbitration.* The government also provides arbitration facilities, but their use is only with the consent of the parties to a dispute.[88] Broadly, the Secretary of State for Employment may refer disputes to arbitration by the Industrial Court,[89] to a single arbitrator, or to a board of arbitrators. Arbitration awards are not legally binding on the parties, but since they are the result of a joint application to the Secretary of State they are almost always accepted.

3. *Inquiry and Investigation.* The Secretary of State has authority to set up inquiries into industrial disputes through courts of inquiry or committees of investigation.[90] Consent of the parties is not required to initiate such inquiries. Courts of inquiry are primarily means of informing Parliament and the public of the facts and underlying causes of a dispute, and are appointed when no agreed settlement of a dispute seems possible. Their appointment is reserved for disputes of major importance affecting the public interest, and hence they are used sparingly. A court typically will consist of an independent chairman and equal numbers

[87] Most disputes procedures except in the nationalized industries mention arbitration as a final method of settlement only by agreement of the parties in specific cases.

[88] Compulsory arbitration existed in Britain only during and shortly after the two world wars.

[89] The Industrial Court, whose members are appointed by the Secretary of State for Employment and whose costs are borne by the Exchequer, is a permanent and independent tribunal and is not in any way subject to Government control or influence. It is not a court of law and its decisions are not legally enforceable. However, the question of enforcement, in practice, does not arise, since arbitration was agreed to by the parties. Once an award is accepted or acted on, it forms a term or condition of the contract of employment. In the Industrial Relations Act, 1971, the Court is renamed the Industrial Arbitration Board.

[90] A committee of investigation is similar to a court of inquiry. The investigation may be conducted by a single independent person sitting alone or by a small committee. It is normally used in cases where the public interest is not so general as to call for a court of inquiry.

of employer and worker members from outside the industry concerned. Persons with knowledge of the subject matter may be requested to furnish information and, where necessary, to give evidence under oath. Proceedings are usually held in public. The parties may be represented by counsel at the discretion of the court, and the court, if necessary, may sit with assessors (experts).

Although a court of inquiry is not an instrument of conciliation or arbitration, in its report, it may make recommendations on which settlement of the dispute can be based. The reports of courts and committees of inquiry constitute a valuable source of information on industrial relations issues and practices.[91]

Recently an additional instrument has been created to assist in the resolution of difficult problems in labor-management relations. In March 1969, a Commission on Industrial Relations was established by Royal Warrant.[92] Its broad mandate was to examine, on the basis of references to it by the Secretary of State for Employment, ". . . the functioning and development of institutions and procedures for the conduct of industrial relations between employers and their representatives on the one hand and employees and their representatives on the other hand; to promote improvement in such institutions, procedures and relations." [93]

The Commission has sought to work closely with the parties in particular references from the Secretary of State, and, by the development of factual information and knowledge of the attitudes and beliefs of the parties, to secure agreement and change. Its work, which has been in the voluntary tradition of British industrial relations, has included references to (1) union recognition cases; (2) industrial relations problems within particular companies; (3) industrial relations problems throughout a whole industry (e.g., hotel and catering); and (4) general questions (e.g., facilities for shop stewards).

In its reports, the Commission makes recommendations on the issues before it, but the implementation of these recommendations is a matter for the parties concerned. In its short existence, the Commission has prepared a number of reports that, as in the case of reports by courts of inquiry, throw considerable light on a variety of industrial relations problems in British industry.[94]

Industrial Relations Act, 1971

Labor-management relations in many British companies and even industries are wholly viable. But widespread problems do exist. They are rooted, in part, in the historical development of trade union organization, employers' associations, and collective bargaining arrangements. In part, they reflect the tyranny of custom in the attachment, for example, to pay systems that in some situations have become outmoded. Employers in many instances have failed to develop clear and consistent personnel policies, and unions, for the most part, have not given adequate guidance to, or exercised sufficient control over, their shop stewards. Both unions and employers, at least until recently, have failed fully to appreciate the rising importance of plant-level bargaining and the erosion that in some measure apparently has occurred in the significance of national agreements. The problem of unofficial strikes is only one manifestation of weakness in the conduct of industrial relations.

On a more general level, there is the issue, by no means unique to Britain, of reconciling collective bargaining and full employment. This is reflected, but only in part, in the problem of inflation which, whatever the origin of specific inflationary episodes, inevitably manifests itself in a struggle among contending groups over the division of the real income of

[91] See, for example, *Report of a Court of Inquiry into the Dispute Between the British Steel Corporation and Certain of Their Employees* (London: H.M. Stationery Office, 1968, Cmnd. 3754); and *Report of the Committee of Inquiry into Certain Matters Concerning Labour in Building and Civil Engineering* (London: H.M. Stationery Office, 1968, Cmnd. 3714).

[92] This body is given a statutory basis by the Industrial Relations Act, 1971.

[93] See Commission on Industrial Relations, *First General Report*, Report No. 9 (London: H.M. Stationery Office, July 1970, Cmnd. 4417).

[94] See, for example, the following Commission reports published by H.M. Stationery Office: No. 10, *The International Harvester Company of Great Britain, Limited* (September 1970, Cmnd. 4469); No. 11, *Hoover, Limited* (November 1970, Cmnd. 4537); No. 12, *Medical Research Council* (November 1970, Cmnd. 4531); and No. 14, *Standard Telephones and Cables, Limited* (February 1971, Comnd. 4598).

the community. Indeed, reasonable price level stability, which would contribute to other forms of social stability, might do more than any other one thing to improve both the climate and the conduct of industrial relations.[95]

Contemporary concern with the industrial relations system was shown, of course, by the appointment in April 1965, of a Royal Commission on Trade Unions and Employers' Associations, and its work over a 3-year period. In 1969, the then Labour Government issued a White Paper entitled *In Place of Strife.*[96] This paper was the prelude to a proposed Industrial Relations Bill containing penal clauses, which was withdrawn subsequently under trade union pressure.[97] The Conservative Government presented a more farreaching Industrial Relations Bill to Parliament on December 1, 1970, following the circulation on October 5 of a Consultative Document for comment by unions, employers, and other interested parties.[98] The Bill became law on August 5, 1971.

During its course through Parliament, the Bill encountered strong opposition from the Labour Party and from the trade unions. Several 1-day demonstration strikes were staged; these did not receive the support of the Trades Union Congress or of most British unions, however. The delegates to a special TUC Congress on March 18, 1971, defeated a proposal for the use of protest strikes against the impending legislation. Instead, a series of proposals essentially for noncooperation in the implementation of the provisions of the measure (which the Congress assumed would in fact become law) were adopted.[99] For example, affiliated unions were urged not to enter into legally binding collective agreements; to refuse registration under the act; and to refuse cooperation with the new National Industrial Relations Court and with the Commission on Industrial Relations. Trade unionists were advised to refuse to serve on the Court and the Commission and to withdraw from the employed persons' panel of Industrial Tribunals.

As indicated at the beginning of this chapter, the full effect of the new legislation on the industrial relations system will not be fully apparent for some years. It does represent an historic break with the "voluntarism" that has characterized the growth of labor-management relations in Britain. Its general rationale, in the words of the Government's Consultative Document, is that "Government has a responsibility to make clear the standards to which, on behalf of the country as a whole, it expects the conduct of industrial relations to conform, to establish safeguards for the individual and the community, and to provide means for resolving disputes over the machinery of industrial relations and the behaviour of the parties to it. The proposed Industrial Relations Act will be the Government's main instrument in achieving these objectives." [100]

The act certainly will modify, but in no sense destroy, the institutions and conduct of collective bargaining and joint consultation. Basic terms and conditions of employment will continue to be determined largely through the collective bargaining process. With respect to some employment terms, the legal rights of employees are extended (e.g., unfair dismissal). Opinion differs as to the effectiveness of the TUC's present position with respect to the act.

The Industrial Relations Act (I.R.A.) is detailed and comprehensive and runs (with the schedules attached to it) to about 140 printed pages. The brief summary in this chapter is designed only to indicate its major provisions.

General Principles (I.R.A. Part I, Section 1). The act is designed to promote (a) collective

[95] See the perceptive paper by Alan Fox and Allan Flanders, "The Reform of Collective Bargaining: From Donovan to Durkeim, *British Journal of Industrial Relations*, July 1969, pp. 151–180.

[96] *In Place of Strife: A Policy for Industrial Relations* (London: H.H. Stationery Office, January 1969, Comnd, 3888).

[97] The position of the Trades Union Congress is stated in its report, *Industrial Relations: Programme for Action* (London, 1969), adopted at a special TUC Congress on June 5, 1969.

[98] The general perspective of the Conservative Party on industrial relations reform was indicated in a 1968 policy statement, *Fair Deal at Work.*

[99] See Trades Union Congress, *General Council's Report to a Special Congress on the Industrial Relations Bill* (London, 1971). The seven recommendations of the General Council, all of which were adopted, are set forth on pp. 40–42. For a detailed report of the debate, see *Daily Telegraph* (London) and *Times* (London), March 19, 1971.

[100] Department of Employment, *Industrial Relations Bill: Consultative Document* (London, 1970), p. 1.

bargaining freely and responsibly conducted; (b) orderly procedures in industry for the peaceful settlement of disputes by negotiation, conciliation, or arbitration, with due regard to the general interests of the community; (c) free association of workers in independent trade unions and of employers in employers' associations; and (d) freedom and security for workers, protected by adequate safeguards against unfair industrial practices, whether on the part of employers or others.

Code of Practice (I.R.A. Part I, Sections 2–4). Within 1 year from the date of the passage of the act, the Secretary of State for Employment is required to draft, and present to Parliament, a code of practice for the guidance of those who manage industrial relations, including guides to the disclosure by employers of information essential to collective bargaining, and the establishment and maintenance of effective means of negotiation, consultation, and communication at all levels between management and workers.

Rights of Employees (I.R.A. Part II, Sections *5–33).* The worker has a statutory right to belong or not to belong to a trade union, and it is an unfair industrial practice for an employer or a union to interfere with the previous exercise of this right. The pre-entry closed shop (i.e., where union membership is a condition of employment) is banned, but under closely defined circumstances a postentry closed shop [101] may be permitted. However, unions and employers may enter into agency shop agreements. The worker is given statutory safeguards against unfair dismissal, with Industrial Tribunals having power to recommend reinstatement or award compensation. (See Industrial Relations Courts in this section.)

Provisions in the Contracts of Employment Act, 1963, with respect to notice of termination of employment are liberalized, and the inclusion of certain items in written statements of employment contract terms is specified.

Collective Bargaining (I.R.A. Part III). The act makes collective bargaining agreements legally binding, unless there is an express provision to the contrary in the agreement.

Where a procedure agreement is nonexistent or defective, the Secretary of State for Employment or one of the parties concerned may request the National Industrial Relations Court to refer the case to the Commission on Industrial Relations. The Commission will attempt to work out an agreed procedure, but if this is impossible, its recommendations may be made legally binding by the Court.

The Secretary of State for Employment, by regulation, may require employers to provide him with the particulars of procedure agreements to which they are party or which they observe.

Reference also can be made by the Court to the Commission in union disputes over bargaining rights for specified groups of employees. The employer, or the recommended bargaining agent (a union or a panel of two or more unions) then can apply to the Industrial Relations Court to make the Commission's recommendations on sole bargaining rights enforceable. The Court will grant the application if the recommendations are favored by the employees concerned, as evidenced by a majority of those voting in a secret ballot. It would then be an unfair practice for the employer to refuse to negotiate with the bargaining agent, or to negotiate with any other organization with respect to the employees in the bargaining unit.

Employers are required to disclose information to trade union representatives which is essential in the conduct of collective bargaining, and large employers may be required by the Secretary of State for Employment to disclose specified information annually to their employees.

Registration and Conduct of Trade Unions and Employers' Associations (I.R.A. Part IV). The act provides for the appointment of a Chief Registrar of Trade Unions and Employers' Associations, who in turn has authority to appoint a number of assistant registrars. It defines a trade union and an employers' association as a workers' or employers' organization, respectively, concerned principally with industrial relations and registered with the new Registrar.

[101] See Industrial Relations Act 1971, sections 17 and 18, and schedule 1.

The main responsibilities of the Chief Registrar are to ensure that the rules of trade unions and employers' associations conform to certain standards and are observed. Guiding principles for the conduct of organizations of workers and employers are incorporated in the act. Conditions for registration are that the organization is independent and has power to alter its own rules and control its property and funds. The Registrar has the power to initiate inquiries and investigate complaints concerning the conduct of registered organizations, and to take unresolved cases to the National Industrial Relations Court for adjudication.[102]

Other Unfair Industrial Practices (I.R.A. Part V). It is an unfair industrial practice for anyone, other than a registered trade union or employers' association, or a person acting within the scope of his authority on behalf of such an organization, to induce or threaten to induce another person, in the furtherance of an industrial dispute, to break a contract to which he is a party.

It is an unfair industrial practice for anyone in furtherance of an industrial dispute to call or threaten to call a strike, any irregular industrial action (e.g., an overtime ban), or a lockout, for the purpose of aiding and abetting anyone carrying on an unfair industrial practice specified in the act.

It is an unfair industrial practice for anyone, in contemplation or furtherance of an industrial dispute, to take or threaten to take action to induce a breach of contract, or to interfere with the performance of that contract, against any other person who is not a party to the original dispute and is not giving material support to any party to the dispute.

Industrial Relations Courts (I. R. A. Part VI, Section 99–119). The Act establishes a new system of industrial relations courts. The apex of the new court system is the National Industrial Relations Court, consisting of presiding judges nominated by the Lord Chancellor and the Lord President of the Court of Session from the higher judiciary, and lay members with special knowledge or experience of industrial relations appointed by Her Majesty on the joint recommendation of the Lord Chancellor and the Secretary of State for Employment. On a point of law only, there is a right of appeal from decisions of the Court to the Court of Appeals or, in Scotland, to the Court of Session.

The Court hears and adjudicates complaints of unfair industrial practices under the act. It can award compensation and issue restraining orders. In appropriate cases, it can authorize the presentation of a claim to the Industrial Arbitration Board. The Court may hear appeals on questions of law from decisions of Industrial Tribunals.

Industrial Tribunals were first established under the Industrial Training Act, 1964, and their jurisdiction was subsequently extended to claims arising under other legislation (e.g., the Redumdancy Payments Act). Their jurisdiction is further extended by the Industrial Relations Act, in general, to claims by individuals of unfair industrial relations practices (e.g., unfair dismissal by an employer or denial by a union of the right of a member to participate fully in union activities). Industrial Tribunals have power to award compensation and to make orders determining the rights of an individual or of an organization. They have no authority to issue restraining orders. The existing Industrial Court, which was set up under the Industrial Courts Act, 1919, is renamed the Industrial Arbitration Board. It will continue to deal with claims under the Terms and Conditions of Employment Act, 1959, and also will be responsible for the arbitration of claims referred to it by a registered trade union, under the authority of the new National Industrial Relations Court, in cases where the employer had failed to disclose to the union information

[102] Only registered trade unions and employers, associations are recognized as such. An unregistered union, although it will continue to enjoy protection from proceedings for criminal or civil conspiracy, is not afforded benefits incorporated in the act. For example, it will not be able to enter a claim for recognition before the National Industrial Relations Court or operate an agency shop. It is an unfair industrial action for an unregistered union to induce (or threaten to induce) workers, in the course of an industrial dispute, to break their contracts of employment. Other disabilities attach to nonregistration. The TUC, in its program of noncooperation, has stated that it will "advise" affiliated unions not to become registered under the act. The long-run consequences of nonregistration, however, could be severe.

essential to collective bargaining or to comply with a requirement to negotiate with it.

Commission on Industrial Relations (I. R. A. Part VI, Sections 120–123). The act gives statutory status to the Commission on Industrial Relations, which was originally set up in March 1969. Its chairman and members are appointed by the Secretary of State for Employment, and the Secretary (either alone or with other Ministers) will continue to refer to it for investigation and recommendations industrial relations questions either of a general character or relating to a particular industry or undertaking. Other cases may be referred to the Commission by the National Industrial Relations Court. Its annual report to the Secretary of State shall include a general review of the development of collective bargaining in Britain, with emphasis on problems that appear to be of special importance.

Emergency Procedures (I. R. A. Part VIII). The act empowers the Secretary of State for Employment to apply the National Industrial Relations Court for an order restraining any strike, irregular industrial action short of a strike, or a lockout which has begun or is likely to begin if in his judgment the action has caused or would cause an interruption in the supply of good or services of such a nature as (a) to be gravely injurious to the national economy, to imperil national security, or to create serious risk of public disorder; or (b) to endanger the lives of a substantial number of persons or expose them to serious risk of disease or personal injury. The order would apply for a period up to 60 days during which time settlement of the dispute would be sought.

The Secretary of State also may apply to the National Industrial Relations Court for an order for a secret ballot of workers to be taken in a strike or impending strike that appeared to threaten the national health or safety.

Relations in Nonunion Enterprises

Labor-management relations in nonunion enterprises are not subject to any *general* legal requirements with respect to procedures for handling internal grievances or other industrial relations matters. Such establishments are subject, of course, to inspection for compliance with health and safety standards, protective legislation for women and young persons, and, where appropriate, for compliance with the determinations of Wages Councils or Agricultural Wages Boards.

Alleged failures by employers to comply with the provisions of the Redundancy Payments Act or the Contracts of Employment Act (see chapter IX) may be taken by workers before Industrial Tribunals.

Under section 8 of the Terms and Conditions of Employment Act, 1959, representative organizations of workers or employers have the right to invoke, through the Secretary of State for Employment, the adjudication of the Industrial Arbitration Board (formerly the Industrial Court) in cases where, in the view of the petitioning organization, an employer is not observing the terms and conditions of employment that have been established through collective agreement for the industry in which he is engaged. An award by the Board is legally binding and has the effect of an implied term of the contract of employment. The claim must be made by a "representative" organization and not by the workers directly concerned. Apparently, in practice, this provision has been little used. Indeed, it is probable that, particularly under conditions of high-level employment, unorganized employers will tend to observe the standards of wages (which are often minimum) and other terms of employment set forth in national collective agreements for their industries.

PART IV. CONDITIONS OF EMPLOYMENT

Chapter IX. Employment Practices

Records and Reports

There are no general legal requirements for the maintenance of personnel records for individual employees. The form and content of such records are within the discretion of the employer. However, due regard must be paid to recordkeeping that permits compliance with such legal obligations as income tax deduction, the payment of social security contributions, severance payments to redundant employees, or that facilitates, as in the case of wage standards established by statutory boards, inspections for compliance. In some instances, prescribed forms must be used, as in the reporting of job inquiries.

Under the Contracts of Employment Act, 1963, an employer is required to provide an employee whose hours of employment are normally not less than 21 weekly with a written statement of his terms of employment. This statement must be furnished not later than 13 weeks after the beginning of the period of employment. It must identify the parties to the agreement, specify the date when employment began, and indicate the terms of employment (as of a specified date not more than 1 week before the statement is furnished) with regard to:

a. the scale of rate of remuneration, or the method of calculating remuneration;
b. the intervals at which remuneration is paid;
c. any terms and conditions relating to hours of work;
d. any terms and conditions relating to holidays and holiday pay; incapacity for work due to sickness or injury, including any provisions for sick pay; and pensions and pension schemes;
e. period of notice for the termination of contract employment.

The Industrial Relations Act, 1971, further requires the employer in his written statement to give the employee more detailed information about his entitlement to holidays and holiday pay; information on his right to choose whether to belong to a trade union, including, where appropriate, the conditions of an agency shop agreement; and on the procedure available to the employee when he has a grievance about his employment, specifying the person to whom he should first apply to invoke the procedure.

In the event of a change in employment terms, an employer within 1 month must inform the employee of the nature of the change.

Virtually all employees working more than the specified minimum hours are covered by the requirements of the act for written particulars of their terms of employment. The principal exceptions are registered dock workers engaged in dock employment, merchant seamen, fishermen, Crown servants, and the immediate relatives of an employer.

Preemployment Inquiries

Verification of the previous experience, education, and other qualifications of job applicants is a responsibility of employers. The Employment Exchange Service does not perform this duty with respect to workers referred in response to employer job orders. Employment Exchange records do contain considerable information (e.g., apprenticeship, immigrant status, previous employment) concerning applicants seeking work, but this information is used only for referral purposes. It is not known to what extent private employment agencies attempt to secure character or other references

for job applicants or, to the extent that they do, whether they make such information available to prospective employers. In many cases, of course, workers secure jobs on their own initiative.

Employees in the Civil Service and in the private sector, who are engaged in work of a confidential or restricted nature, are required under the Official Secrets Act to sign a statement that they will not reveal without proper authorization any restricted information during or after their period of employment.

Hiring

Hiring by employers in Great Britain is done through the Employment Exchange Service, private employment agencies, or from among direct applicants.

The British national system of public employment offices dates from the Labor Exchanges Act, 1909. The primary responsibility of the Employment Exchange Service is to place people in suitable jobs and to fill vacancies notified by employers.[103] The Service is intended not only for the unemployed but also for those employed persons who wish to change jobs. Employers and employees are free to use private employment agencies, direct recruitment, or job search.

All but the smallest towns have employment exchanges, and large cities have more than one. In all, more than 1,000 offices, including suboffices, are in operation. All exchanges maintain registers of situations vacant and wanted in routine white-collar as well as manual employments, and over 40 of the larger exchanges maintain registers for senior posts in industry, commerce, and the professions. In several of the larger cities, special offices exist for hotel and catering workers, and there are special placement and advisory services for nurses and allied health staff.

The Youth Employment Service, largely financed and in part directed by the Department of Employment, is concerned with the employment problems of young people. It operates in most areas through offices established by local education authorities; in the remaining areas, the service is provided directly by the Department. Its main responsibilities are to provide young people and their parents with information on careers, employment, and further education; to give career guidance to young people in their later years at school; to help young people find suitable employment and employers suitable workers; and to follow the progress of young people in employment and give them further help.

In March 1966, an occupational guidance service for adults was launched, and staff for this purpose now exists in a number of exchanges. The exchanges also are concerned with recruitment for vocational training in government training centers, where free training presently is given in about 45 skilled trades. Industrial rehabilitation services, intended primarily for people who need help to adapt themselves mentally and physically to resumption of work after completion of medical treatment, are provided at 23 Industrial Rehabilitation Units throughout the country. Under the Disabled Persons (Employment) Acts of 1944 and 1958, employers of 20 or more workers have a statutory obligation to employ a quota of disabled persons (the standard quota is presently 3 percent). The Employment Exchange Service provides for the vocational training and industrial rehabilitation of disabled persons; maintains a special register of disabled persons seeking employment; and seeks to place such persons in suitable jobs. Sheltered workshop employment is provided for the severely disabled. Permits are issued also through the Service for the Employment of Foreign Workers.[104]

The Employment Exchange Service made 1,877,000 job placements in 1969. The proportion of total placements made through the Service is not known with any precision. The proportion undoubtedly is greater for manual jobs, especially the less skilled. Private agencies are very active in the field of white-collar placement, especially for typists, secretaries, and clerical personnel generally. Direct recruitment

[103] In many areas, the local education authorities are primarily responsible for finding suitable employment for young people under age 18.

[104] The Employment Exchange Service performs a number of other duties, including, on behalf of the Department of Health and Social Security, all local work in connection with unemployment benefit, including adjudication of claims by staff appointed as insurance officers, payment of benefits, and reference of certain cases to local tribunals.

by employers through newspaper advertisements and other means is extensive.

A worker seeking a job normally will have identification in the form of a national insurance number. Hiring standards (aptitude tests, physical examinations, etc.) are matters for employer determination, except that young persons under age 18 must have medical certificates of fitness for work in factories and some other employments.

Notice Periods and Separations

Under the Contracts of Employment Act, 1963, as amended by the Industrial Relations Act, 1971, a minimum period of notice must be given by an employer to terminate the contract of employment of an employee who has been employed continuously for 13 weeks or more. The notice periods specified are:

Length of employment	*Notice required*
Less than 2 years	1 week
2 but less than 5 years	2 weeks
5 but less than 10 years	4 weeks
10 but less than 15 years	6 weeks
15 years or more	8 weeks

For the purposes of the act, a contract may be expressed or implied, oral or written, and for either service or apprenticeship. The act applies virtually to all employees in Great Britain (that have at least 13 weeks of service with a particular employer and continuous service thereafter), except for certain categories of employees under the Dock Workers (Regulation of Employment) Act, 1946, and the Merchant Shipping Act, 1894. The provision that an employee must have been employed for at least 13 weeks before entitlement to notice has the effect of excluding many workers in short-term jobs (e.g., in construction).

The act also requires that an employee must give his employer at least 1 week's notice of his intention to quit if he has been working for the employer for 13 weeks or more.

Collective agreements may provide for notice on terms more favorable than those legally required. Thus, the national agreement between the Engineering Employers' Federation and the Confederation of Shipbuilding and Engineering Unions provides that a worker who has been employed continuously for not less than 4 pay weeks, and whose employment is terminated for reasons other than misconduct, is entitled to a week's notice or, at the option of the employer, pay in lieu thereof. After 2 years of employment, the period of notice by the employer is controlled by the Contracts of Employment Act. The employee must give a week's notice of intention to quit after employment of 4 pay weeks or more.[105] Somewhat similar provisions are found in the national agreement for the chemical and allied industries.[106]

Under the Redundancy Payments Act, 1965 and 1969, an employee under specified conditions is entitled to severance pay if his dismissal resulted from the fact (1) that his employer ceased to carry on the business, or ceased to carry it on in the place where the employee was engaged; or (2) the requirements of the business for work of a particular kind ceased or diminshed. Employees are not eligible for payments if they have less than 104 weeks of continuous service with their employer, normally work less than 21 hours a week, or if their service ends or after their 65th birthday (60th for women). A few categories of workers (e.g., registered dockworkers engaged in dock work) are not covered by the acts. Under certain conditions, an otherwise eligible employee who refuses alternative work with his employer is not entitled to severance pay.

The amount of payment depends on an employee's rate of pay, years of service, and age. Complete years of service normally will count for payment as follows: for each year of employment between ages 18 and 21 inclusive, half a week's pay; between ages 22 and 40 inclusive, one week's pay; between ages 41 and 64 (59 for women) inclusive, one and a half week's pay.

The "redundancy" payments scheme is financed by employers who make weekly contributions (6p for employed men and 3p for employed women) to the Redundancy Fund. These payments are collected with the flat-rate national insurance contributions. Any employer who makes a "redundancy" payment as required by the act may claim a rebate from the Fund to cover a portion of the payment.

[105] Engineering Employers' Federation, *Foreman's Guide to National Agreements* (1971), p. 5.

[106] Chemical and Allied Industries, Joint Industrial Council, *Constitution and Schedule of Wage Rates and Working Conditions* (May 1970), appendix D, pp. 31–32.

During the 3-month period April 1—June 30, 1970, payments under the act amounted to £19,792,000 (US$47,500,800) of which £10,897,000 was borne by the Fund and £8,895,000 was paid directly by employers. Payments were made to 75,415 employees, including 515 in government departments.

Disciplinary Actions

The maintenance of discipline is a management responsibility, but its exercise in particular cases may be challenged by the union concerned. In general, well-defined grievance procedures to handle disciplinary cases (and other disputes arising under existing collective bargaining agreements) are not widespread at the plant or company level in British industry. As shown in Chapter VIII, national agreements do typically contain a "Procedure Agreement" designed to provide mechanisms for the resolution of disputes, but on the whole, these appear to be cumbersome avenues for the settlement of disciplinary (or other) questions involving individual workmen or small groups.

Some national agreements deal explicitly with disciplinary problems. In rubber manufacturing, for example, provision is made for warnings to employees of shortcomings in conduct or job performance before disciplinary action; decisions on suspension or dismissal are made by the personnel manager after consultation with the employee and his representative. The employee has the right to appeal through conciliation machinery, which contains a number of steps, established by the national agreement.[107]

In practice, most disciplinary disputes appear to be resolved at the local level through relatively informal procedures. However, the general absence of clear-cut machinery for the expeditious settlement of such disputes (and of other disputes arising under the terms of agreements) contributes to the problem of unofficial strikes discussed in Chapter VIII.

[107] National Joint Council for the Rubber Manufacturing Industry, *Memorandum of Agreement* (January 1971), appendix B, pp. 32–33.

Chapter X. Hours of Work and Premiums

Hours of Work

With few exceptions, there is no legal regulation of hours of work for men in Great Britain. The exceptions relate to seamen; to workers in the baking, coal mining, and road haulage (trucking) industries; and to workers in automatic sheet glass factories.

Legal limitation on the hours of work of women and young persons in factories, on the other hand, dates from 1833. The major statute today is the Factories Act, 1961.[108] Its principal provisions with respect to hours are that women and young persons (over the school-leaving age of 15 but under 18) employed in factories are not to work more than 9 hours in any day or 48 hours in any week; that working hours are to be between 7 a.m. and 6 p.m. (7 a.m. and 1 p.m. on Saturdays); that there is to be no Sunday work; and that the maximum period of work without a break is to be 4 1/2 hours. Overtime is limited to 6 hours weekly and 100 hours in any calendar year, and is not to be worked in more than 25 weeks.

Power to grant exemptions to these limitations on the hours of work, including night work, of women and young persons is lodged with the Secretary of State for Employment. Special Exemption Orders current on September 30, 1970, applied to 182,378 women and young persons,[109] of whom 91 percent were women. The nature of the exemptions included work in excess of the limitations with respect to daily hours or overtime, night-shift work, and work on Saturday afternoons or Sundays.

The normal or standard hours of work for

[108] Other statutes are the Employment of Women, Young Persons and Children Act, 1920; and the Hours of Employment (Convention) Act, 1936.

[109] This number represents the sum of the numbers given by employers in their applications for exemptions. The actual number may vary from time to time. See *Employment and Productivity Gazette*, October 1970, p. 885.

most manual workers and for substantial numbers of white-collar workers are fixed by collective bargaining agreements or by Wages Regulation Orders for those industries for which Wages Councils (and Agricultural Wages Boards) have been established. During the 1960's, a widespread movement for reduction in the length of the normal work week occurred. In consequence, normal weekly hours for manual workers declined by about 8 percent between 1960 and 1970.[10] In the latter year, standard weekly hours, exclusive of mealtime, were typically 40 in manufacturing, worked in either 5 or 6 days. In coal mining, the normal working week consisted of 5 successive shifts of 7 1/4 hours for underground workers and 5 successive shifts of 8 1/4 hours for surface workers. The standard work week for a substantial proportion of white-collar workers was less than 40 hours.

Table 15 contains distributions of full-time employees by normal weekly hours in April 1970. The distributions differ materially for male blue-collar and white collars workers. Almost 79 percent of the full-time blue-collar men had normal hours of 39 to 40 (most of these were undoubtedly at exactly 40 hours). On the other hand, about 70 percent of the men in white-collar employments had standard weekly hours of 39 or less. There was a large concentration—about 48 percent)—between 36 and 38 hours. About 87 percent of the youths and boys, both blue- and white-collar employed full time had normal weekly hours of 40 or less.

TABLE 15. GREAT BRITAIN: PERCENTAGE DISTRIBUTION OF FULL-TIME WORKERS BY NORMAL WEEKLY HOURS OF WORK, APRIL 1970 [1]

Normal weekly hours	Percentage distribution of—					
	Male		Youths and boys under 21	Female		Girls under 18
	Blue-collar	White-collar		Blue-collar	White-collar	
Total	100.0	100.0	100.0	100.0	100.0	100.0
Not more than 35	1.1	16.3	4.4	14.1	26.9	12.2
More than 35 but not more than 39	9.6	54.6	18.3	13.2	50.2	36.7
More than 39 but not more than 40	78.7	19.4	64.5	65.6	9.7	39.8
More than 40	10.7	9.6	12.8	7.2	13.1	11.5

[1] As defined in the source of this table, "Normal basic hours means the number of hours, excluding main meal breaks, and also all overtime, which the employee was expected to work in a normal week."

NOTE: Because of rounding, sums of individual items may not equal totals.

SOURCE: "New Earnings Survey, 1970" Part 4, *Department of Employment Gazette*, February 1971, table 101, p. 145.

[10] The decline in average number of hours actually worked was not as great.

TABLE 16. GREAT BRITAIN: PERCENTAGE DISTRIBUTION OF FULL-TIME WORKERS BY WEEKLY HOURS WORKED, APRIL 1970

Weekly hours worked	Percentage distribution of—					
	Male		Males under 21	Female		Girls under 18
	Manual	Non-manual		Manual	Non-manual	
Total	100.0	100.0	100.0	100.0	100.0	100.0
Not more than 35	5.6	14.2	9.2	22.9	24.4	15.1
More than 35 but not more than 39	6.9	47.8	18.4	15.5	49.6	38.1
More than 39 but not more than 40	22.4	14.5	29.2	39.5	9.4	27.6
More than 40	65.1	23.5	43.2	22.1	16.6	19.2

SOURCE: "New Earnings Survey, 1970," Part 4, *Department of Employment Gazette*, February 1971, table 102, p. 145.

For most women (65.6 percent) employed full time in blue-collar jobs, normal weekly hours were between 39 and 40; a substantial proportion (27.3 percent) enjoyed shorter hours standards. More than three-fourths of the women in white-collar jobs had standard weekly hours of less than 40. In the case of girls under 18, for whom separate data by type of work are not presented, almost half had standard hours below 40, and an additional two-fifths were at the 40-hour level.

A 5-day week is standard for most workers in Great Britain. In 1968, more than four-fifths of the employees, male and female, in both manual and nonmanual jobs, were on this standard. Most of the remainder were on a 5 1/2-day week.

Particularly for male manual workers, the distribution of employees by *actual* weekly hours differ markedly from the distribution relating to normal hours. (See table 16.) Although less than 11 percent of such workers had standard hours in excess of 40 a week in April 1970, almost two-thirds actually worked more than 40 hours. A primary reason for the significant divergence between normal and actual hours for male manual workers, as shown in Chapter XI, is the extent to which pay for overtime work has become a regular part of the pay packet. This factor is of limited importance for men in nonmanual jobs and for women generally.

Information on average weekly hours actually worked by adult manual workers is

available for October 1970 for a variety of industries for the United Kingdom. Summary data for men and women working full time are shown in table 17. For each industry group, the average for men was substantially greater than the average for women. In manufacturing, the difference was 7.2 hours (44.9 hours for men compared with 37.7 hours for women). Men in three industry groups (mining and quarrying, except coal; construction; and transport and communication) had higher average hours than in manufacturing. In only one industry (transport and communication) did the average hours of women exceed 40.

TABLE 17. UNITED KINGDOM: AVERAGE WEEKLY HOURS WORKED BY FULL-TIME ADULT MANUAL WORKERS,[1] BY INDUSTRY GROUP, OCTOBER 1970

Industry group[2]	Average weekly hours worked	
	Male	Female
Manufacturing	44.9	37.7
Mining and quarrying (except coal)	51.8	37.6
Construction	47.5	38.1
Gas, electricity, and water	44.0	36.1
Transport and communication	49.2	42.8
Miscellaneous services	44.4	38.5
Public administration	43.7	39.7

[1] Men 21 years and over; women 18 years and over.
[2] 1968 Standard Industrial Classification.

SOURCE: *Department of Employment Gazette*, February 1971, table 122, pp. 218–210.

Nightwork

As indicated in the preceding section, there are, with few exceptions, no legal restrictions on the hours of work of men, including night work. On the other hand, night work is forbidden for women and young persons in manufacturing and certain other employments covered by the Factories Act. The Secretary of State for Employment may grant exemptions to this prohibition. As of September 30, 1970, night-shift exemptions applied to 20,373 women (18 years and over) and to 1,437 boys over 16 but under 18 years.

It has been estimated that in 1968 about 25 percent of the adult workers engaged full time in blue-collar work were employed on late shifts in manufacturing, and about 19 percent in nonmanufacturing industries.[111] The proportion of night-shift workers was particularly high in metal manufacture, mining and quarrying, transport and communication, and vehicles. There appears to have been a continuing growth in shift work since the mid-1950's.

Shift work is a matter for collective bargaining. Union attitudes vary, but ". . . most unions recognize the need for shiftwork in capital intensive industries or in public utilities where a 24-hour service is required, and are prepared to accept its operation provided premium rates which they regard as satisfactory are paid. Some are opposed to shiftwork in principle, and it is their stated policy to keep it to a minimum. But in practice the majority are pragmatic in their approach, and are concerned with negotiating the best possible terms for their members." [112]

Overtime Premium

Premium rates for overtime work typically are established through collective bargaining. A variety of practices are reflected in the terms of national agreements. Overtime rates in some agreements are based on weekly rather than daily hours. Graduated rates are common. For example, in the engineering industry 1 1/3 the regular rate is paid to day workers for the first 2 hours of overtime, and 1 1/2 thereafter.[113] In the manufacture of surgical instruments, the specified rates are 1 1/3 for the first 2 hours of daily overtime; 1 1/2 for the third and fourth hours; and double time thereafter.

An analysis of overtime provisions in effect as of April 1970 in 88 agreements showed the following rates for the *first hour* of daily overtime for Monday through Friday: 1 1/4 (36 agreements); 1 1/3 (25 agreements); 1 2/5 (2 agreements); and 1 1/2 (25 agreements). For the third hour of overtime, 82 agreements specified time and one-half. Rates for overtime hours for day workers on Saturday tend to be higher than for the Monday-Friday period.[114]

[111] National Board for Prices and Incomes, Report No. 161, *Hours of Work, Overtime and Shiftworking* (London: H.M. Stationery Office, December 1970, Cmnd. 4554), table W, p. 65.

[112] National Board for Prices and Incomes, Report No. 161, p. 74.

[113] The term "engineering industry" as used in Great Britain, refers to four major manufacturing groups: (1) machinery (except electrical), (2) electrical machinery, (3) instruments and related products, and (4) transportation equipment.

[114] National Board for Price and Incomes, Report No. 161, p. 98. The basic source for data on premium rates of pay is the annual publication of the Department of Employment on *Time Rates of Wages and Hours of Work*. The most recent issue relates to April 1, 1971.

Overtime rates for night workers may be higher than for day workers.

As with overtime, practice with respect to premium rates for late shift work varies considerably. The premium may be stated as a fixed supplement or as a percentage addition to the hourly rate. In some agreements, a paid meal break also is specified for late-shift workers in addition to the shift premium. The size of the premium, whether in fixed or percentage terms, is by no means uniform among agreements. The rates laid down in at least some national agreements are considered by the parties to be minimums, and may be exceeded as a consequence of negotiations at company level.

Paid Leave

In British terminology, "holiday" refers not only to specific days set aside by law or custom as nonwork days, but also to annual vacations.

Nearly all workers in Great Britain are entitled to either five or six statutory or public holidays with pay. In England and Wales, these holidays are Good Friday and Christmas, and four bank holidays as follows: Easter Monday; last Monday in May or first in June; last Monday in August or first in September; and the first weekday after Christmas (Boxing Day). In Scotland, three bank holidays typically are observed. The timing of holidays may be varied by local agreement, and in some cases additional days may be provided. Pay for statutory holidays is usually dependent on attendance on the day preceding and the day following the holiday, unless the cause of absence was beyond the worker's control.

Annual holidays (vacations) spread very rapidly after World War II for manual and lower paid white-collar workers. Entitlement to paid vacations is established through collective bargaining, the determinations of statutory wage boards, or employer personnel policy.

Most workers, after a qualifying period of service, are entitled to a paid vacation of 2 weeks, and in some cases to longer annual holidays. Almost all collective bargaining agreements specify the conditions, such as length of service and attendance at work, that must be fulfilled before a worker becomes entitled to a paid vacation. The length of service qualifying a worker for a full vacation is typically 1 year of continuous employment; workers having less than the full qualifying period are often entitled to a shorter vacation or, if a full vacation is granted, to less than the full amount of holiday pay.

Collective agreements often deal with the calculation of vacation pay, which may present particular problems where wage incentive systems are used, and with other matters, such as vacation allowances for workers who leave their employment before they have taken their vacation. Similarly, the Wages Regulation Orders of Wages Councils and Agricultural Wages Boards set forth in some detail the conditions that surround entitlement to paid vacations.

A third form of paid leave widely found in British industry is represented by occupational sick pay schemes; i.e., pay for time lost because of illness. These plans are additional or complementary to sickness benefit under the national insurance system. Their coverage is more extensive for white-collar than for manual workers, but even for the latter category 62.9 percent of the male workers and 48.8 percent of the female workers were covered as of April 1970.

Periodic Rest Day Premium

As previously noted, the Factories Act forbids the employment of women and young persons on Saturday afternoon and Sunday, except under Special Exemption Orders issued by the Secretary of State for Employment. There is no restriction on Sunday work for men.

Sunday is observed typically as a day of rest, and work on Sunday, at least when not part of a regularly scheduled workweek, is usually compensated at twice the regular rate of pay.

Holiday Premium

Premium pay for work on statutory holidays is a matter for collective agreement or employer personnel policy. There is no uniform policy, and the premium pay arrangements are sometimes complicated. In engineering, for example, where eight holidays are provided, doubletime is paid for work on 2 specified days; daytime rate and a half for day-shift workers

for hours worked on four holidays;[115] daytime rate and two-thirds for hours worked by night-shift workers on four holidays. These premiums do not apply to work on the two additional holidays. In rubber manufacturing, the national agreement provides for fixed allowances, graduated by age, for work on six holidays.

[115] In the unusual case of a dayworker working through midnight of one holiday into another holiday, double the daytime rate is paid for the hours worked after midnight until day-shift working time.

Chapter XI. Wages and Supplemental Payments

Base Pay

Basic (or minimum) rates of pay for manual workers in private industry are determined largely through industrywide collective bargaining, or, in some situations, bargaining at the company level. For industries or segments of industries for which adequate voluntary negotiating machinery does not exist, minimum rates of pay are fixed by Wages Councils, which are statutory bodies continued or established under the Wages Councils Act of 1959.[116] Over 50 such councils, covering approximately 3.5 million workers, are presently in existence, mainly in retail distribution, catering, road haulage, and the smaller manufacturing industries. In agriculture, basic pay rates are determined by statutory boards under the Agricultural Wages Act, 1948, and the Agricultural Wages (Scotland) Act, 1949.

In the nationalized industries, wages are determined also through joint negotiating machinery. The precise nature of this machinery differs somewhat from industry to industry, reflecting organizational differences among industries and differences in collective bargaining arrangements that had existed before nationalization.

Pay in the public services at the level of both the local authorities and the National Government typically is determined through joint negotiating machinery also. This machinery for nonindustrial civil servants of the National Government was described briefly in Chapter V. Additionally, joint negotiating machinery exists for the national health services, teachers, the manual and nonmanual employees of local authorities, and for other segments of public employment.[117]

Wage and salary determination in Great Britain involves the use of a widespread and complex system of bargaining arrangements. This system, as suggested in Chapter VIII, has developed over many years; it represents, in part, an explicit expression of public policy to the effect that employees, through representative organizations, should have a voice in the fixing of pay and other conditions of employment. This attitude is perhaps seen most clearly in the case of the wages councils. It has been stated that ". . . the great strength of the Wages Council system is that it does not separate the statutory regulation of wages from the system of voluntary collective bargaining." [118]

However, for large numbers of employees, notably white-collar workers in routine occupations in private industry and employees in professional, administrative, and technical positions, pay is determined by employer personnel policy. But the widespread incidence of collective bargaining and of statutory pay determination, at least for basic rates of wages, undoubtedly exerts powerful influence on the pay policies of firms in the nonunion segment of the labor market.

Industrywide bargaining in Great Britain, particularly in the industrial sector, does not result in uniform pay scales among firms and establishments. As stressed in Chapter VIII,

[116] This act consolidated the provisions of the Wages Councils Acts of 1945 and 1948, and the Terms and Conditions of Employment Act, 1959, insofar as it related to wages councils. Councils may be abolished for industries which develop adequate voluntary negotiating machinery and a number have been abolished.

[117] The Ministry of Labour's *Industrial Relations Handbook* (1961), chapters III, IV, V, and X, provides considerable detail, much of which is still of current value, on negotiating machinery in private and public employment and on statutory wage regulation.

[118] Bayliss, p. 150.

such bargaining involves, in essence, the establishment of minimum rates of pay, with regard somehow to the varying capacities-to-pay of firms within the industry concerned. In the engineering industry, for example, the national agreement basically sets minimum time rates for two occupational groups: unskilled laborers and skilled fitters.[119] This agreement then must be applied at the level of the establishment or firm to the rates actually being paid for these benchmark jobs, to rates for other jobs in the occupational hierarchy, to incentive rates, and to other elements of wage structure. As in the United States, the actual structure of time rates (and of earned rates under incentive systems) can vary substantially among firms within an industry, despite the existence of industrywide bargaining.

Some Elements of Wage Structure

The structure of wages (whether for a firm, an industry, or the economy as a whole) can be viewed as a series of wage rates or pay levels designed to compensate workers for the varying skills and abilities required in the productive process. Wage rates usually although not invariably, are fixed with reference to jobs or tasks rather than to individual employees as such. This practice is true in British industry, except notably for the widespread practice, as explained below, of special rates for young employees. The notion of "structure" also has dimensional aspects. The significant dimension in the case of wages is the number of proportion of workers at each rate in the scale.

In addition to wage rates by job (or by labor grade in evaluation systems), a variety of other rates frequently are found in wage structures—for example, special rates for inexperienced, handicapped, or superannuated workers. Various types of guaranteed rates are often established in connection with incentive wage systems. In most firms, moreover, certain general wage policies or practices contribute to the structure of wages. Such policies may include premium rates for overtime, late-shift, or holiday work.[120]

Certain aspects of the British wage structure do not have close counterparts in the United States. First is the widespread use of wage rate progressions for young workers in other than apprenticeable trades. These rate progressions reflect both collective bargaining practice and wage determination under statutory boards. There tend to be separate schedules for boys and girls. Yuth rates commonly begin at age 15 at about 30 percent of adult rates and reach the adult wage at age 21 for men and 18 for women.[121]

A second difference, particularly for manual workers, is the regular and systematic use of overtime in British industry. In a 1968 survey covering a broad spectrum of industry, 65 percent of the establishments reported that overtime was worked regularly; about 70 percent of the male manual workers were on overtime schedules. The proportion of such workers on overtime tended to vary with age, reaching a maximum in the 30-39 age bracket, and with the level of straight-time earnings, reaching a maximum (in 1968) in the range of 35–45 pence an hour (US$0.84 to US$1.08).[122] The incidence of overtime work is low for women workers in manual jobs, and for both men and women in white-collar employments.

A third factor relates to wage differentials by skill. On the whole, skill margins in British industry appear to be narrower than in the United States. For the 12 industries shown in table 18, the difference between the level of earnings for full-time adult male unskilled and skilled workers ranged in 1970 from about 13 to 25 percent; the margin in 6 of these industries was 17 percent or less.

[119] Basic rates for a few other jobs (e.g., molders) at national or district level may also be specified in national agreements between the Engineering Employers' Federation and the Confederation of Shipbuilding and Engineering Unions.

[120] Pay for time *not* worked (holidays, vacations, sickness) and employer contributions to insurance and pension plans, while representing part of employee compensation, are not reflected directly in the structure of wages.

[121] See John W. Piercey, "Youth Wage Rates Schemes in Western Europe and Canada and Their Effect on Youth Employment," in U.S. Department of Labor, Bureau of Labor Statistics, *Youth Employment and Minimum Wages*, BLS Bulletin 1657 (Washington: Government Printing Office, 1970).

[122] National Board for Prices and Incomes, Report No. 161, pp. 18, 25–26.

TABLE 18. GREAT BRITAIN: AVERAGE GROSS WEEKLY EARNINGS FOR UNSKILLED MALE WORKERS[1] AS A PERCENT OF THE LEVEL FOR SKILLED MALE WORKERS,[2] SELECTED INDUSTRIES, APRIL 1970

Industry	Gross average weekly earnings for unskilled male workers as percentage of average for skilled male workers
Manufacturing	
Food, drink, and tobacco	86.9
Chemicals and allied industries	86.0
Vehicles	86.8
Mechanical engineering	75.8
Electrical engineering	77.8
Textiles	75.3
Bricks, pottery, glass, cement	86.0
Timber and furniture	80.1
Paper, printing, and publishing	79.3
Construction	84.8
Gas, electricity, and water	88.2
Transport and communication	(3)

[1] Men employed full-time aged 21 and over.
[2] Not available.

SOURCE: Computed from "New Earnings Survey, 1970," Part 2, *Employment and Productivity Gazette*, December 1970, table 40, pp. 1135–1136.

The Distribution of Earnings

The broadcast view of the structure of wages and salaries in Great Britain may be derived from a comprehensive sample survey of earnings as of April 1970. Some summary results of this survey relating to gross weekly earnings for full-time adult employees are shown in table 19. Distributions are shown separately for men and women in manual and nonmanual occupations. In the manual or blue-collar occupations, average weekly earnings for men were £26.80 (US$64.43) and for women £13.40 (US$32.16). Only 3.7 percent of the men earned less than £15 (US$36), compared with 72 percent of the women. At the upper end of the distributions, 29.4 percent of the men earned £30 (US$72) or more, compared with less than 0.5 percent of the women. These sharp differences between the weekly earnings of men and women working full time in blue-collar jobs reflect a host of factors, including, most importantly, differences in the industrial and occupational composition of employment.

In nonmanual or white-collar occupations, the average adult male had weekly earnings of £35.8 (US$85.92), about one-third greater than the average for males in manual jobs. Less than 2 percent earned under £15 and almost 55 percent had earnings of £30 or more. Weekly earnings of at least £50 (US$120) were received by 13.5 percent of the male white-collar workers; the corresponding percentage for blue-collar males was 1.5. As in the case of men, the average weekly earnings of adult women in white-collar occupations exceeded the average for women in blue-collar jobs by about one-third. At the lower end of the distribution, 43.5 percent of the women in white-collar employment, compared with 72 percent in blue-collar jobs, earned less than £15; at the upper end, 7.8 percent earned £30 or more. The proportion of women in blue-collar occupations earning at least £30 was negligible.

Data also are available on the distribution of youths and boys and of girls working full-time by weekly earnings. These and other distributions, undifferentiated by type of work, are shown in table 20. As would be expected, young workers are concentrated heavily at the lower end of the distributions. Nearly two-thirds of the youths and boys, and 97.5 percent of the girls, earned less than £15 weekly in April 1970. Their average weekly earnings were £14.10 (US$33.84) and £8.40 (US$20.16), respectively.

In summary, the effective range in weekly earnings for adult men, employed full time in blue-collar jobs in April 1970, was between £15 (US$36) and £40 (US$96). The earnings of almost 90 percent of the male blue-collar workers fell within this range. Of the men in white-collar jobs, 71 percent fell within the same range, but with most of the others (27.1 percent) at higher levels in the distribution. The weekly earnings of most women employed

TABLE 19. GREAT BRITAIN: PERCENT DISTRIBUTION OF ADULT FULL-TIME EMPLOYEES[1] BY GROSS WEEKLY EARNINGS, SEX, AND OCCUPATIONAL CATEGORY, APRIL 1970

Gross weekly earnings (in pounds)	Male		Female	
	Manual occupations	Nonmanual occupations	Manual occupations	Nonmanual occupations
Total	100.0	100.0	100.0	100.0
Average earnings	26.8	35.8	13.4	17.8
Under 5			0.3	0.1
5 and under 10	.3	.2	18.6	8.3
10 and under 15	3.4	1.7	58.1	35.1
15 and under 20	17.8	9.5	21.4	29.2
20 and under 25	25.6	16.3	4.9	14.0
25 and under 30	28.5	17.4	1.5	6.2
30 and under 35	14.8	15.9	.2	3.5
35 and under 40	7.9	11.9	.1	2.2
40 and under 45	3.4	8.0		.8
45 and under 50	1.8	5.6		.6
50 and over	1.5	13.5		.7

[1] Excluding those who received no pay in pay period, received only holiday/sick pay, or whose pay was affected by absence.

NOTE: Because of rounding, sums of individual items may not equal totals.

SOURCE: Computed from "New Earnings Survey, 1970," *Employment and Productivity Gazette*, November 1970, tables 3 and 4, pp. 977–978.

TABLE 20. GREAT BRITAIN: PERCENT DISTRIBUTION OF EMPLOYEES[1] BY GROSS WEEKLY EARNINGS, APRIL 1970

Gross weekly earnings (in pounds)	All employees	Employed full time				Employed part time	
		Men	Women	Youths and boys	Girls	Men	Women
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average earnings	22.8	36.0	16.3	14.1	8.4	11.1	8.8
Under 5	3.8	(2)	(2)	0.8	3.3	19.6	31.3
5 and under 10	12.5	(2)	11.8	28.7	74.8	57.2	55.1
10 and under 15	14.6	2.8	41.1	34.0	19.4	7.5	10.8
15 and under 20	16.0	14.6	26.6	21.5	2.1	3.6	1.9
20 and under 25	15.8	22.3	10.5	8.8	(2)	2.3	(2)
25 and under 30	13.5	21.2	4.6	4.0	(2)	2.2	(2)
30 and under 35	9.4	15.2	2.4	1.3	(2)	1.5	(2)
35 and under 40	5.8	9.3	1.5	.6	(2)	1.2	(2)
40 and under 45	3.2	5.3	.6	(2)		1.4	(2)
45 and under 50	1.9	3.2	(2)	(2)		.9	(2)
50 and over	3.5	5.8	(2)	(2)	(2)	2.4	(2)

[1] Excluding those who received no pay in pay period, received only holiday/sick pay, or whose pay was affected by absence

[2] Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals.

SOURCE: Computed from "New Earnings Survey, 1970" *Employment and Productivity Gazette*, November 1970, table 2, p. 976.

full time in blue-collar jobs (93.1 percent) were within the range of £5 (US$12) to £20 (US$48). The earnings of 72.6 percent of the women in white-collar occupations also fell within this range, but with almost all of the others at higher points in the distribution. The weekly earnings of more than four-fifths of the youths and boys employed full time, and of almost all of the girls, were below £20.

Average Earnings by Industry and Occupation

In table 21, data on average hourly and weekly earnings and average hours worked as of October 1970 are presented separately for adult men and women working full time in blue-collar jobs by broad manufacturing industry group and for selected nonmanufacturing industries.[125]

For all of the industries covered, the average weekly earnings of adult men working in full-time in blue-collar occupations were £28.05 (US$67.20); in manufacturing, the average was £28.90 (US$69.36). For adult women, average weekly earnings, at £14 (US$33.60) both for all industries and for manufacturing separately, was about one-half the male level. This difference reflects in part a significant difference in average hours worked per week. In the case of men, the average was 45.7 hours in all industries and 44.9 in manufacturing, substantially above standard or normal hours (typically 40 per week). On the other hand, comparatively little overtime was worked by women, whose average hours were below 38 for all industries combined and for manufacturing. In

[125] For more extensive industry detail, see *Department of Employment Gazette*, February 1971.

TABLE 21. GREAT BRITAIN: AVERAGE WEEKLY AND HOURLY EARNINGS, AND AVERAGE HOURS WORKED, FULL-TIME BLUE-COLLAR WORKERS, MANUFACTURING AND SELECTED NONMANUFACTURING INDUSTRIES, OCTOBER 1970

Industry[1]	Men (21 years and over)			Women (18 years and over)		
	Average weekly earnings (pounds)	Average hours worked	Average hourly earnings (pounds)	Average weekly earnings (pounds)	Average hours worked	Average hourly earnings (pounds)
All industries covered	28.05	45.7	0.610	14.00	37.9	0.370
All manufacturing	28.90	44.9	.645	14.00	37.7	.370
Food, drink, and tobacco	28.00	46.8	.600	14.35	38.5	.370
Coal and petroleum products	30.80	44.0	.700	15.30	39.2	.390
Chemicals and allied industries	29.02	44.9	.650	14.30	38.7	.370
Metal manufacture	30.00	45.1	.665	13.65	37.4	.365
Mechanical engineering	28.45	44.9	.635	15.30	38.1	.405
Instrument engineering	26.75	44.1	.610	14.55	38.2	.380
Electrical engineering	27.70	44.4	.625	14.55	37.7	.390
Shipbuilding and marine engineering	29.60	45.5	.655	14.15	38.4	.370
Vehicles	32.45	42.4	.765	17.05	37.9	.450
Metal goods, n.e.c.	27.80	46.2	.615	13.35	37.4	.360
Textiles	25.30	44.7	.565	13.40	37.3	.360
Leather, leather goods, and fur	24.25	45.0	.540	12.10	37.3	.325
Clothing and footwear	24.10	41.5	.585	13.15	37.2	.356
Bricks, pottery, glass, cement, etc.	28.70	46.9	.610	13.90	36.9	.375
Timber, furniture, etc.	26.05	45.6	.570	14.45	37.4	.390
Paper, printing, and publishing	33.70	45.3	.745	15.50	38.9	.400
Other manufacturing	28.60	45.5	.630	13.25	37.9	.350
Mining and quarrying (except coal)	28.85	51.8	.560	13.05	37.6	.345
Construction	26.85	47.5	.565	12.85	38.1	.340
Gas, electricity, and water	26.00	44.0	.590	14.45	36.1	.400
Transport and communication[2]	29.70	49.2	.605	19.30	42.8	.450
Miscellaneous services[3]	23.90	44.6	.540	11.60	38.5	.300
Public administration	21.60	43.7	.495	15.40	39.7	.390

[1] 1968 Standard Industrial Classification.
[2] Except railways and London Transport.
[3] Laundries and dry cleaners, motor repairers and garages, and repair of boots and shoes.

SOURCE: *Department of Employment Gazette*, February 1971, table 122, pp. 218–219.

terms of hourly earnings, men averaged 61 pence (US$1.46) in all industries and 64.5 pence (US$1.55) in manufacturing. The corresponding hourly average for women was 37 pence (US$0.89) in both industry groupings. Because of the difference in average hours worked, the difference in the level of earnings between men and women was less on an hourly basis (about 40 percent) than on a weekly basis (about 50 percent). These wide differences in earnings between men and women are markedly affected by differences in the industrial and occupational composition of employment.

The level of hourly earnings for men within manufacturing industry groups ranged from 54 pence (US$1.30) in leather, leather goods, and fur to 76.5 pence (US$1.84) in vehicles. For women, the range was from 32.5 pence (US$0.78) in leather, leather goods, and fur to 40 pence (US$0.96) in paper, printing, and publishing. The level of hourly earnings for men employed in blue-collar jobs in nonmanufacturing industries was lowest in public administration (49.5 pence or US$1.19) and highest in transport and communication (59 pence or US$1.42). Male construction workers in Britain had average hourly earnings (56.5 pence or US$1.36) that were lower than the averages for male workers in many other industries shown in table 21, despite the fact that average hours worked in construction fell below only mining and quarrying and transport and communication. For women in nonmanufacturing industries, the level of hourly earnings ranged from 30 pence (US$0.72) in miscellaneous service to 45 pence (US$1.08) in transport and communication.

Table 22 contains data on weekly earnings in selected occupations of adults paid for a full-time week in April 1970. The data were derived from the comprehensive earnings survey, of which use was made in the preceding section of this chapter. Employers in the survey sample were provided with a list of 189 occupations or occupational groups and were requested to identify workers falling within the job designations and to provide brief descriptions of their main duties. Guidance was provided for classification by skill level.

The wage or salary measures used in table 22 are the median and the interquartile ranges. A simple measure of the relative dispersion of earnings is obtained by dividing the interquartile range by the median and multiplying by 100. These values are also shown in table 22.

Three professional engineering occupations are shown in table 22. Average (median) weekly earnings ranged from £36.8 (US$88.32) for electrical engineers to £40.1 (US$96.24) for civil engineers. Draughtsmen had average earnings of £31 (US$74.40).

Secondary school teachers and solicitors (lawyers) had virtually identical average earnings, but the dispersion of earnings was twice as great for the latter occupation. The disper-

TABLE 22. GREAT BRITAIN: GROSS AVERAGE WEEKLY EARNINGS, ADULTS[1] PAID FOR FULL WEEK, SELECTED OCCUPATIONS, APRIL 1970

Occupational group and sex	In pounds			Relative dispersion[3]
	Lower quartile	Median[2]	Upper quartile	
Professional and technical:				
MALE				
Engineer—civil, structural, or municipal	32.4	40.1	48.6	42.9
Engineer—electrical or electronic	30.0	36.8	45.0	40.8
Engineer—mechanical	29.1	37.1	46.3	46.1
Draughtsman	26.8	31.0	35.9	29.4
Systems analyst, computer programmer	28.9	35.2	43.6	41.8
School teacher—secondary schools	28.8	36.3	41.8	35.8
Accountant	29.4	40.1	52.2	56.9
Solicitor (lawyer)	24.7	36.5	57.5	89.9
FEMALE				
Nursing matron, sister	24.2	28.7	29.7	20.6
Office clerical:				
MALE				
Clerk, senior	24.4	29.5	35.6	38.0
Clerk, intermediate	19.9	23.2	27.1	31.0
Clerk, junior	16.6	19.3	23.1	33.7
FEMALE				
Clerk, senior	14.3	17.5	22.4	46.3
Clerk, intermediate	13.1	16.0	20.0	43.1
Clerk, junior	11.5	14.2	16.8	37.3
Secretary-shorthand typist	14.3	17.2	20.2	34.9
Copy/auto typist	12.0	14.2	16.7	33.1
Blue-collar:				
MALE				
Railway engine driver	24.1	27.4	33.8	35.4
Docker, stevedore	29.9	36.0	44.1	39.4
Bricklayer	20.9	24.3	28.5	31.3
Carpenter and joiner	21.1	24.7	29.7	34.8
Plumber, pipe fitter	22.3	25.9	30.8	30.9
Electrician, building, and wiring	22.8	26.8	33.3	39.2
Fitter, production	24.9	29.0	34.0	31.4
Fitter—toolroom, tool and diemaker	27.0	31.4	36.8	31.2
Assembler, skilled	25.4	27.9	34.4	30.4
Assembler, semiskilled	22.2	26.9	33.3	41.3
Machine tool operator, skilled	26.2	30.2	35.5	30.8
Machine tool operator, semiskilled	22.0	26.0	30.0	30.8
Laborer, unskilled building or engineering	19.0	22.7	27.7	38.3
Coal miner, underground	23.7	27.1	29.9	22.9
Compositor, typesetter	26.3	31.2	39.8	43.3
FEMALE				
Assembler, semiskilled	12.5	14.4	16.1	25.0

[1] Men aged 21 and over; women aged 18 and over.
[2] The median defines the midpoint of the total distribution of workers by earnings; the lower and upper quartiles show the range within which the middle 50 percent of the workers fall.
[3] Interquartile range divided by median times 100.

SOURCE: "New Earnings Survey, 1970," Part 2, *Employment and Productivity Gazette*, December 1970, table 30, pp. 1111-1113.

sion of earnings for accountants, who averaged £40.1 (US$96.24), was also relatively wide. Average earnings in a comparatively new occupational complex—systems analysts and computer programmers—were £35.2 (US$84.48), not much below the level for two of the professional engineer groups and for teachers and solicitors. Nurses, the only woman's occupation included in the professional and technical group, averaged £26.7 (US$64.08).

Among office occupations, average weekly salaries varied significantly among men and women in the three grades of clerks for which data were compiled; the relative dispersion rates were somewhat greater for the women employees. The average salary of secretaries (£17.2 or US$41.28) was almost identical with that for female senior clerks. Routine typists averaged £14.2 (US$34.08).

Among the male blue-collar occupations, unskilled building or engineering laborers had average weekly earnings of £22.7 (US$54.48). Tool and diemakers averaged £31.4 (US$75.36), and skilled machine tool operators only slightly lower. Stevedores had the highest average earnings (£36 or US$86.40) of any of the male blue-collar occupations shown in table 22. Average earnings for the four building trades occupations shown were not markedly dissimilar and fell below earnings levels for skilled workers in production jobs. For most of the male blue-collar jobs dispersion rates did not differ greatly. Women in semiskilled assembly work—the only blue-collar occupation shown for women—averaged £14.4 (US$34.56), not much more than half the level for males in this job classification.

In agriculture, for the year ending March 31, 1970, the weekly earnings of men averaged £17.55 ($42.10), including payment in kind. Weekly hours of work averaged 48.4. Youths averaged £10.29 ($24.69) weekly; their average hours were 47.2. The average weekly earnings of women employed in agricultural work was only slightly above the level for youths, but their hours of work (43.3) were significantly shorter.[124]

Limited data for 1968 are available on the salaries of top executives in British industry.[125] These data, for main company board members and for senior executives, are summarized in table 23; the data for private nonfinancial companies are broken into three size groups. For the largest companies in the private sector, main board members averaged £18,760 (US$45,024) annually, and senior executives £9,790 (US$23,496). Top salaries in the nationalized industries were substantially below those in the largest and intermediate-sized firms in the private sector, and, for main board members, even below those in the smallest-sized private sector group.

[124] "Agricultural Workers in Great Britain: Earnings and Hours," *Employment and Productivity Gazette*, October 1970, pp. 886–887.

[125] The survey on which the salary data are based also developed information on bonuses; pension schemes; fringe benefits such as car and free or assisted housing; and vacation arrangements. (See reference at end of table 23.)

TABLE 23. ANNUAL PAY[1] OF TOP EXECUTIVES IN BRITISH INDUSTRY, 1968

[In pounds]

Type of executive and salary measure	Sector of industry						
	Nationalized	Nationalized, excluding British Steel	Private				Financial
			Total	Group A	Group B	Group C	
Main board members:							
Mean	10,540	8,860	18,760	15,650	12,380	13,310	13,170
Median	9,290	8,910	16,480	14,720	11,590	12,210	12,170
Upper quartile	12,220	9,940	24,130	18,380	15,090	16,150	15,870
Lower quartile	8,080	7,890	12,810	12,340	9,050	9,700	9,650
Senior executive:[2]							
Mean	6,880	6,270	9,790	8,040	6,470	6,940	7,800
Median	6,520	6,380	9,090	7,910	6,240	6,650	7,320
Upper quartile	7,480	7,190	11,800	9,490	7,740	8,520	9,780
Lower quartile	5,560	5,470	7,410	6,450	5,080	5,320	5,550

[1] Pay includes salary, director's fees, and bonuses.
[2] Sample of executives in senior positions in the firms in the survey sample.

SOURCE: National Board for Prices and Incomes, Report No. 107, *Nationalised Industries, Top Salaries in the Private Sector* (London: H.M. Stationery Office, March 1969, Cmnd. 3970), p. 6.

Supplemental Payments

In addition to direct money wages that reflect time rates of pay or earned rates [126] under incentive pay systems, the compensation of the British worker consists also of various types of supplementary payments or benefits. Many of these are discussed in other chapters of this study, and some notion of the relative importance of various components of pay is given in the section of the present chapter entitled "Total Labor Compensation and Costs."

Briefly, supplementary payments are provided in part through legislation (e.g., various forms of social insurance), and in part through collective bargaining, the decisions of statutory wage boards, or by employer personnel action. They may be grouped broadly under three headings. The first consists of premium pay for work on other than "normal" or "standard" hours, such as overtime, late shifts, or public holidays, or for tasks that are especially heavy, disagreeable, or dangerous. Premium payments, when earned, serve directly to increase money wages. Their amount, as typically in the case of overtime, often is directly related to straight-time rates or earnings. Premium pay is reflected in the data on the earnings of blue- and white-collar workers set forth in the preceding section.

A second category embraces payments for time not worked, most importantly for public holidays and annual vacations. The incidence of these forms of paid leave was described briefly in chapter X. One issue that has arisen in some cases is whether holiday and vacation pay should be computed on the basis of actual earnings or on the basis of minimum or guaranteed rates of pay specified in collective bargaining agreements or statutory orders. Other forms of pay for time not worked include sick leave pay and pay for time spent in approved schemes of off-the-job training. Payment for time not worked, as in the case of premium pay, appears as a direct item of payroll expense.

A third category of supplementary payments results from both public and private plans for the protection of workers against the major hazards of economic life. The comprehensive British social insurance system, for which employers bear part of the cost, is described in chapter XIII. In addition, many workers are covered by private plans for one or more benefits. For example, private pension plans in Britain, as in the United States, have grown rapidly during the postwar period. It was estimated that at the end of 1967 over 12 million employees in the private and public industrial sectors were members, in British terminology, of occupational pension schemes. Contributions into pension plan funds in 1967, including employee payments to contributory plans, were estimated at £1,265 million.[127] A more recent estimate of private pension plan coverage—about 10 million—is lower but still very substantial.[128] About 70 percent of all employees were covered by sick pay schemes as of April 1970.[129]

Although not strictly a supplement to wages arising out of employment (as is the case in the United States with employer-financed health insurance plans), comprehensive medical, hospital, and dental care for British workers and their families is financed about 85 percent from general government revenues.[130]

Withholdings and Deductions

Two principal deductions are made from wages and salaries. The first is the flat-rate employee contribution to the National Insurance System, including the employee contribution to industrial injuries insurance and the National Health Service. This amounts to as of September 1971 a flat-rate contribution of 88 pence (US$2.11) weekly for employed men (aged 18 to 70) contracted out of the graduated

[126] Straight-time earnings under incentive systems divided by hours worked.

[127] *Times* (London), December 2, 1969, special report on "Pensions."

[128] It was estimated as of April 1970, that 44.2 percent of all employees in British industry were covered by occupational pension schemes. The computation was made from separate estimates for males and females in "New Earnings Survey, 1970," Part 4, *Department of Employment Gazette*, February 1971, table 110, p. 155. Applying this percentage to the estimated number of employees in March 1970, yields an estimate of 10 million employees covered by pension plans.

[129] Computed from ibid.

[130] The remaining 15 percent of National Health Service financing is from employee contributions and charges for certain services.

pension scheme. Such men pay an additional graduated contribution ranging up to £1.47 (US$3.53) weekly. Slightly higher flat-rate contributions but lower graduated contributions are paid by employed men contracted out of the graduated pension scheme. Flat-rate contributions are not payable unless earnings exceed £5 weekly. Lower rates of contribution are payable by employed women and young persons. No graduated contributions are payable when earnings are less than £9 (US$21.60) weekly.

Income tax also is deducted from wages under a pay as you earn system. Income tax liability varies with size and source of income and family responsibilities. For the 1969–70 tax year, married couples who had two children under 11 years of age paid no tax on earned income of £700 (US$1,680) or less, and a tax of £380 (US$912) on an earned income of £2,000 (US$4,800). Payroll deductions for purposes other than social insurance and income tax are not widespread. Union dues are not subject to checkoff arrangements.

Pay Changes

Changes in pay arise broadly in two ways: (1) through general changes incorporated in collective agreements and statutory wage orders, or made effective by employer personnel action; and (2) through changes that arise in the administration of wages at the plant or company level.

For the period 1960–71 table 24 shows indexes for manual workers of hourly and weekly wage rates and normal hours of work, which largely reflect the results of industry-wide bargaining and statutory wage orders under the Wages Councils Act and the Agricultural Wages Acts. Indexes to 1970 are also shown of average hourly and weekly earnings and of average hours worked for manual workers, and of average salaries for white-collar employees. The coverage of these various series is explained in the notes to table 24.

The basic hourly wage rates of blue-collar workers increased by 100.4 percent between 1960 and 1971, or at an average annual rate of 6.5 percent. The increase in basic weekly rates was not as great (84.4 percent, for an average annual rate of 5.7 percent) because of a decline in normal weekly hours. The decline in hours amounted to about 8 percent and occurred, for the most part, during the early years of the period. The decline in actual hours worked was considerably less pronounced than in normal hours, except during the recession year 1971, reflecting substantial overtime working.

Data on average actual earnings for blue-collar workers and average salaries for white-collar workers were not available, at the time of writing, for 1971. For the period 1960–70, the earnings of blue-collar workers increased more sharply than basic wages on both an hourly and weekly basis. This increase reflects factors, other than changes in basic wage

TABLE 24. UNITED KINGDOM: INDEXES OF BASIC WAGE RATES, HOURS OF WORK, EARNINGS, AND SALARIES, 1960–71

[1960=100]

Year	All manual workers [1]						Average salary earnings [4]
	Basic weekly rates of wages [2]	Basic hourly rates of wages [2]	Normal weekly hours [2]	Average hours worked [3]	Average weekly earnings [3]	Average hourly earnings [3]	
1960	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1961	104.1	106.3	97.9	98.9	106.1	107.1	104.9
1962	108.0	111.2	97.0	98.0	109.8	112.0	110.7
1963	111.9	115.4	96.9	98.2	114.5	116.5	116.8
1964	117.1	121.3	96.5	99.1	124.4	125.4	123.3
1965	122.2	129.0	94.8	98.0	134.4	137.1	133.7
1966	128.0	137.5	93.0	95.9	142.2	148.1	139.5
1967	132.7	143.2	92.8	95.9	147.8	154.0	146.0
1968	141.6	152.9	92.6	96.3	160.0	165.9	155.1
1969	149.0	161.2	92.4	96.5	172.5	178.5	167.1
1970	163.8	177.6	92.1	91.9	199.2	209.5	188.6
1971	184.4	200.4	91.9				

[1] The indexes of basic rates of wages and of normal weekly hours relate to manual workers in all industries and services, but those for average earnings and average hours worked relate to a broad but more restricted list of industries: manufacturing; mining and quarrying (except coal); construction; gas, electricity, and water; transport and communication (except railways and London Transport); miscellaneous services; and public administration.

[2] The indexes of basic wage rates and normal hours are based on minimum entitlements (i.e., basic rates of wages, standard rates, minimum guarantees or minimum earnings levels), which are generally the outcome of centrally determined arrangements, usually national collective agreements or statutory wages regulation orders.

[3] Beginning October 1967, includes dockworkers and postmen. For 1960–69, the indexes are based on survey data collected for April and October of each year; for 1970, the data relate only to October.

[4] Compiled annually in October. Covers manufacturing; mining and quarrying; construction; gas, electricity, and water; British Rail; London Transport (from 1963); British Road Services (from 1966); British Transport Docks; British Waterways; air transport; insurance and banking; education (teachers); National Health Service; and National and Local Government.

SOURCE: *Department of Employment Gazette*, February 1971, table 129, p. 236. Indexes are converted to 1960 base.

rates, that affect earnings at the establishment level. A recent study listed no fewer than 15 such factors.[131] Probably the major factors in the British situation during this period were (1) higher rates of pay for particular groups of workers negotiated at plant or company level; (2) an upward drift in incentive earnings; and (3) substantial overtime worked at premium rates. These factors, and others of lesser importance, are separate from wage changes for individual workers for merit reviews, promotions, and increments to young workers, which may not affect, depending on the nature of labor turnover, the *general* level of earnings at all.

The final column in table 24 shows an index of average salaries for white-collar workers. Salaries increased by 88.6 percent between 1960 and 1970, more rapidly than basic wage rates for blue-collar workers but less rapidly than earnings.

Table 25 provides some sense of the movement of real as distinguished from money earnings for the period 1960–70. For blue-collar workers, average weekly earnings in terms of purchasing power advanced by 36.0 percent, or at an average annual rate of 3.1 percent.[132] The average salaries of white-collar workers rose 28.7 percent in real terms, or at an average annual rate of 2.6 percent.

TABLE 25. UNITED KINGDOM: INDEXES OF REAL AVERAGE WEEKLY EARNINGS FOR MANUAL WORKERS, REAL AVERAGE SALARIES, AND RETAIL PRICES, 1960–70

[1960=100]

Year	Retail prices	Real average weekly earnings, blue-collar workers	Real average salaries
1960	100.0	100.0	100.0
1961	103.3	102.7	101.5
1962	106.1	103.5	104.3
1963	108.2	105.9	108.0
1964	111.7	111.4	110.4
1965	117.1	114.9	114.3
1966	121.7	116.9	114.7
1967	124.7	118.6	117.2
1968	130.6	122.6	118.9
1969	137.6	125.4	121.4
1970	146.5	136.0	128.8

SOURCE: The indexes of real earnings and salaries were obtained by dividing the appropriate indexes in table 24 by the index of retail prices (all items) from the *Department of Employment Gazette*, January 1972. To derive an index of retail prices for the whole period 1960–70, indexes with two different bases (January 1956 and January 1962) were spliced.

[131] Derek Robinson, *Wage Drift, Fringe Benefits, and Manpower Distribution* (Paris: Organization for Economic Cooperation and Development, 1968), pp. 32–39.

[132] The advance in real hourly earnings was 43.1 percent.

Travel and Transportation Expenses

As in other countries, British employers compensate employees for travel and transportation expenses incurred in the performance of duty. Details are not available, but employer costs for subsidized transport of employees in 1968 averaged 0.9 percent of labor costs in the construction industry and 0.1 percent in manufacturing industries, according to estimates published by the Department of Employment.

Total Compensation and Costs

The most recent survey of labor costs in Great Britain relates to 1968. It covered manufacturing and a number of nonmanufacturing industry divisions. The data on employer expenditures relate to both full- and part-time blue-collar and white-collar workers, including administrative and technical staff.

Summary data based on this survey are shown in table 26. In manufacturing, average expenditures per employee in 1968 were £1,133 (US$2,719), or approximately 58 pence (US$1.40) an hour. Almost 84 percent of total labor expenditures were paid out in the form of direct wages and salaries, including premium pay for overtime, late-shift work, and other purposes; the remaining expenditures were for legally required and discretionary "fringe benefits."[133] Of the fringe benefit components of total cost, the major items were pay for public holidays, vacations, sick leave, and attendance at training classes (7.4 percent); the employer share of national insurance contributions (4.4 percent); and expenditures for private social welfare (e.g., pension) plans (3.2 percent).

The *relative* importance of the components of labor cost varied considerably among indus-

[133] Disregarding the selective employment tax, which was negative in the case of manufacturing and mining, but neutral or positive for the other industry groups shown. The SET was imposed by the 1966 Finance Act to encourage economy in the use of labor in the service industries. Employers in certain industries, including manufacturing, mining and agriculture, have the tax refunded; employers in manufacturing in development areas receive a refund of the tax plus an additional amount. In his budget message of Mar. 30, 1971, the Chancellor of the Exchequer announced reduction of SET by half (as of July 5, 1971) and its eventual abolition.

TABLE 26. GREAT BRITAIN: PERCENTAGE DISTRIBUTION OF AVERAGE LABOR COSTS PER EMPLOYEE, 1968

Expenditure categories	Percentage of total expenditures in						
		Nonmanufacturing industries					
	Manufacturing	Mining and quarrying [1]	Construction	Gas, electricity, and water	Transportation and communication [2]	Insurance and banking	Nonindustrial civil service and authorities [3]
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Wages and salaries, including premium pay	83.9	74.2	82.5	76.6	77.7	66.5	76.5
Pay for holidays, sickness, and attendance at training classes	7.4	8.6	5.2	10.5	10.0	9.2	11.1
Statutory national insurance contributions	4.4	3.8	4.2	3.8	3.8	3.2	4.0
Selective employment tax (net) [4]	−1.5	−.2	4.8			3.8	.1
Provision for redundancy (net) [5]	.4	1.0	.2	.4	.6	.1	.1
Private social welfare payments	3.2	5.7	1.4	6.3	5.9	12.4	5.9
Training [6]	.8	.2	.3	.9	.7	.4	.8
Payments in kind, subsidized services [7] and other labor costs	1.5	[7] 6.7	1.9	1.3	1.4	4.4	1.6
Average expenditure per employee:							
Pound per year	1,132.9	1,256.9	1,359.6	1,296.0	1,204.6	1,424.5	997.0
Pound per hour	0.585	0.740	0.610	0.665	0.660	0.840	0.640

[1] Including ancillary activities of National Coal Board.
[2] Only part of Standard Industrial Classification Order XIX included; i.e., railways, road passenger transport, port and inland water transport; air transport (nationalized part only); and postal services and telecommunications.
[3] Includes (1) nonindustrial civil service (the General Post Office is excluded from this heading but included under Transport and Communication, except for Post Office Savings Bank, which is included under Insurance Banking); (2) local authority employment, except teachers, police, and fire service. Local authority employees working in construction, transport, and water supply departments are excluded from this group, but included under appropriate industries.
[4] Net cost after allowing for refunds, premiums, and regional payments.
[5] Statutory contributions made under Redundancy Payments Act *plus* statutory and voluntary payments to "redundant" employees *less rebates* received under Redundancy Payments Act.
[6] Includes levies paid to and grants received from industrial training boards. The wages and salaries of persons administering these services and of trainees attending vocational training classes are included under "Pay for holidays, sickness, and attendance at training classes" in the table above.
[7] Includes concessionary coal.

NOTE: Because of rounding, sums of individual items may not equal totals.

SOURCE: Adapted from "Labour Costs in Great Britain, 1968", *Employment and Productivity Gazette*, August 1970, table 4, pp. 660–661. See also the article on "Analysis of Main Categories of Labour Costs" in the October 1970 issue of the same journal.

try groups. In mining and quarrying, for example, where the average expenditure per employee amounted to £1,257 (US$3,016), payments in kind and miscellaneous costs represented 6.7 percent of the total, compared with less than 2 percent in all other industries except insurance and banking. This difference largely reflects the cost of coal made available to mining employees. The relative importance of expenditures for private welfare plans was far greater in insurance and banking than in any of the other industries for which data are shown. On the other hand, relative expenditures on holiday and sick pay were markedly lower in construction than in the other industries. These variations reflect differences in compensation practices and affect, of course, the proportions of total costs represented by direct wages or salaries.

A precise comparison between the relative importance of the components of total labor compensation in Great Britain and the United States is not possible. The employer expenditure categories do not correspond exactly; practices differ in the two countries (e.g., in Britain health insurance is financed largely from general government revenues); and the relevant data relate to different years. Nevertheless, the correspondence in the relative (not absolute) importance of major items of expenditure is fairly close for some broad industry groups, but considerably less close for others. Two examples will suffice.

In U.S. manufacturing in 1966, straight-time and premium pay accounted for 82 percent of total compensation; the corresponding figure for Great Britain was about 84 percent in 1968. Paid leave in manufacturing in the United States represented 6.3 percent of compensation; in Great Britain, 7.4 percent. The figures for legally required insurance programs were 4.9 percent in the United States and 4.4 percent in Great Britain. For private welfare plans, including "redundancy" payments, the percentages were 5.9 and 3.6 for the United States and Great Britain, respectively.[134]

[134] Data for the United States are from U.S. Department of Labor, Bureau of Labor Statistics, *Employee Compensation in the Private Nonfarm Economy, 1966*, BLS Bulletin 1627 (Washington: Government Printing Office, 1969).

In banking, on the other hand, straight-time and premium pay represented 77.4 percent of total compensation in the United States in 1967; the corresponding 1968 figure for a somewhat broader industry category (insurance and banking) in Great Britain was only 66.5 percent. The difference reflects the fact that substantially higher proportions of total compensation in Great Britain were accounted for by paid leave, private welfare plans, and subsidized services.[135]

[135] Data for the United States are from U.S. Department of Labor, Bureau of Labor Statistics, *Employee Compensation and Payroll Hours: Banks, 1967* (BLS Report 362, 1969).

Differences in the absolute levels of labor compensation between countries cannot be used directly to measure differences in either living standards or labor costs per unit of output for equivalent goods or services. For these purposes, data are needed on international differences in living costs and labor productivity.

Pay Period Frequency

Blue-collar workers, and white-collar employees in routine positions, typically are paid weekly; higher level professional and administrative workers usually are paid fortnightly (every 2 weeks) or monthly.

Chapter XII. Industrial Health, Safety, and Workmen's Compensation

Health and Sanitation

Standards of industrial health, sanitation, and safety are set forth in various legislative acts and in regulations and orders issued under the authority of these acts.[136] The principal acts are the Factories Act, 1961, and the Offices, Shops, and Railway Premises Act, 1963, both of which consolidated or replaced earlier legislation. The Mines and Quarries Act, 1954, established the basic modern principles of health, safety, and welfare for these industries, and left details to be dealt with in statutory regulations. Two statutes relate to agricultural health and safety: the Agriculture (Poisonous Substances) Act, 1953, and the Agriculture (Safety, Health and Welfare Provisions) Act, 1956. Specialized legislation relates to rail, road, and air transport, and to merchant shipping.[137]

[136] Authoritative manuals on industrial health and safety, including laws, regulations, and leading court decisions, are *Redgrave's Factories Act* (London: Butterworth and Co., 1966); and *Redgrave's Offices and Shops* (London: Butterworth and Co., 1965). The latter manual also covers agriculture and railway transportation.

[137] A Committee of Inquiry on Safety and Health at Work, under the chairmanship of Lord Robens, was established by the Government in 1970 to make a comprehensive review of existing health and safety legislation and of the nature and extent of voluntary action. The report of the committee is not expected for some time.

The Factories Act covers not only manufacturing establishments but also docks, warehouses, electrical stations and substations, ship repair yards, building construction and civil engineering work shops, and certain other types of premises. In 1969, 203,472 factories, 1,656 docks, wharves, and quays, 3,359 warehouses, and an unspecified number of construction sites were stated to be subject to the act.[138] About 700,000 premises are subject to the Offices, Shops and Railway Premises Act.

With specific reference to health and sanitation, the Factories Act contains provisions relating to the cleanliness of factories; overcrowding; temperature; ventilation; lighting; floor drainage; sanitary accommodations; eating and drinking in workrooms where poisonous substances are so used as to give rise to dust or fumes; work in underground rooms; lifting of excessive weights; the employment of women or young persons in lead processes or in cleaning workrooms where these processes are carried on; and the reporting of a broad range of cases involving industrial poisoning or disease. Similarly, the Offices, Shops and Railway Premises Act deals with the same conditions, where appropriate, and contains additional provisions, such as seating arrange-

[138] H.M. Chief Inspector of Factories, *Annual Report, 1969* (London: H.M. Stationery Office, 1970, Cmnd. 4461).

ments, that are of particular relevance in shops and offices.

No young person under the age of 18 may remain in employment in a factory, or on a dock or building operation, after a period of 14 days unless he or she has been medically examined by an appointed factory doctor and given a certificate of fitness for that employment. Such certificate must be renewed every 12 months, or earlier if the doctor so directs. Additionally, boys between the ages of 16 and 18 employed in certain industries or processes in shift systems involving nightwork are required to undergo further examination before the expiration of the first 3 months of such employment and every 6 months thereafter. People employed in certain hazardous occupations, regardless of age, also are required to undergo periodic medical examination by an appointed factory doctor. In addition, such doctors, of whom there are about 2,300, are required to investigate cases of notifiable industrial diseases and gassing accidents.

The Factory Inspectorate, discussed in a following section, operates an industrial hygiene service to carry out tests of the factory environment and workers and to advise employers of any remedial or precautionary measures that may be necessary. The Inspectorate has its own laboratories and technical staff, including medical, chemical, and engineering branches. In addition, industrial hygiene services are provided on a fee basis by a number of organizations (e.g., the Occupational Hygiene Unit at the University of Manchester), and many large firms provide these services from their own resources.

The Government encourages voluntary provision by employers of industrial health services, and many large and medium-sized firms have appointed physicians or industrial nurses for the supervision of the health of their employees. It is estimated that about 5,000 factories have the services of either a full- or part-time physician. In a few industrial areas, numbers of small firms have combined to operate industrial medical services.

Safety Conditions and Required Precautions

Legislation relating to safety at work is incorporated in the acts listed in the first paragraph of the preceding section. Safety requirements reflect Britain's long experience as a major industrial nation, and are enforced by various inspectorates.

Briefly, with respect to safety, the Factories Act contains detailed provisions dealing with: the fencing of every part of transmission machinery and every dangerous part of other machinery, and all parts of electric generators, motors, rotary converters and flywheels directly connected to them, and with the fencing of fixed vessels, pits, etc., containing corrosive or poisonous liquids; devices for the prompt cutting off of power from transmission machinery, the cleaning of machinery; hoists or lifts; chains, ropes, and lifting tackle used for raising or lowering goods or persons; the construction and use of cranes and other lifting machines; the construction and maintenance of floors, steps, stairs, ladders, passages, and gangways; safe means of access to place of work; protection of eyes; the construction and maintenance of steam boilers and receivers, and air receivers; and fire hazards. Special precautions are laid down for work in confined spaces where men are liable to be overcome by dangerous fumes; against explosions for certain processes; and for welding or soldering of containers which hold or have held any explosive of flammable substance.

The Offices, Shops and Railway Premises Act sets standards for floors, passages, and stairs; the fencing of dangerous parts of machinery; precautions against fire; and provisions with respect to other hazards likely to be encountered in shops and offices. Specialized legislation for certain industries (e.g., mining, agriculture) covers safety requirements in these employments.

Accident prevention is stressed widely as a supplement to statutory regulations. The Factory Inspectorate, for example, issues numerous technical brochures stressing preventive measures (e.g., on industrial lead poisoning, methyl bromide, dust control, lifting and carrying, and the use of abrasive wheels). It maintains an Industrial Health and Training Center in London with a changing display of methods, arrangements, and appliances for ensuring the occupational safety and health of industrial workers. It encourages the appointment of plant safety officers and the formation of works safety committees. Training courses in

safety are organized by the Government and by private organizations. Many employers' associations are concerned with the promotion of safety at work and provide information and advisory services to their members. A top-level Industrial Safety Advisory Council, chaired by the Secretary of State for Employment, consists of representatives of the Department of Employment, Trades Union Congress, Confederation of British Industry, and the nationalized industries.

Despite carefully devised safety standards, strong inspection services, and extensive educational efforts, accidents at work will occur. Table 27 shows the number of notified accidents in three industrial sectors covered by the Factories Act for the years 1966–70. The total number of accidents rose between 1966 and 1969; the number declined in 1970 but remained about 3 percent above the 1966 level. Taking the period as a whole, the increase in accidents in 1970 compared with the number in 1966 occurred entirely in manufacturing; in construction and in docks and inland warehouses, the number of accidents declined significantly. The total number of fatalities in the three sectors combined was 701 in 1966 and 569 in 1970.

TABLE 27. GREAT BRITAIN: ACCIDENTS REPORTED UNDER THE FACTORIES ACT, 1966–70

Industrial sector	1966	1967	1968	1969	1970
Total:					
Number	296,610	304,016	312,430	322,390	304,794
Index	100.0	102.5	105.3	108.7	102.8
Factory processes:					
Number	241,051	247,058	254,454	266,857	256,007
Index	100.0	102.5	105.6	110.7	106.2
Construction:					
Number	46,607	46,475	46,569	44,570	39,922
Index	100.0	99.7	99.9	95.6	85.7
Docks and inland warehouses:					
Number	9,952	10,483	11,407	10,963	8,865
Index	100.0	105.3	114.6	110.2	89.0

SOURCE: H.M. Chief Inspector of Factories, *Annual Report, 1969* (H.M. Stationery Office, 1970, Cmnd. 4461) for 1966–69; for 1970, *Department of Employment Gazette*, June, September, and December, 1970, and February 1971.

Safety Inspectorates

Responsibility for safety inspection is divided among a number of agencies. The oldest and largest is H.M. Factory Inspectorate. It dates from the Factories Regulation Act of 1833, which covered only textile mills, but which provided for the appointment by the Crown of four Inspectors of Factories who were given substantial powers. Thus, the Inspectorate has a long history; it enjoys also a notable tradition. Its reports have contributed greatly to knowledge of the labor conditions that attended the growth of industrialism in England during the 19th century. Perhaps its most unexpected tribute was from Karl Marx, who, in the preface to the first edition of *Capital* (1867), lamented the absence in other European countries of ". . . men as competent, as free from partisanship and respect of persons as are the English factory inspectors. . ." [139]

The Factory Inspectorate is responsible not only for inspections under the Factories Act but also for inspectional activity under the Offices, Shops and Railway Premises Act. Much of the latter, however, has been delegated to the local authorities under the general supervision of the Inspectorate, which directly inspects offices in manufacturing and in local and national government. In 1970, the factory inspectorate had a staff of about 600 inspectors. The agency operates through a district organization, the districts being grouped into 11 divisions. It already has been noted that the Inspectorate has a number of technical branches which provide expert support to the underlying inspectional activity. Inspectors are selected carefully, undergo extensive training, and exercise substantial responsibility, including the authority, where necessary, to institute legal proceedings.

A number of smaller safety inspectorates exist under different governmental agencies, including the Mines and Quarries Inspectorate (Ministry of Power); Railway Employment Inspectorate (Ministry of Transport); and the Agricultural Inspectorate. The Board of Trade is responsible for administering the Merchant Shipping Acts and the provisions regulating safety in air transport.

Accident and Occupational Disease Compensation

The basic legislation relating to compensation for industrial accidents and prescribed occupational diseases is the National Insurance (Industrial Injuries) Act, 1965, which consolidated a similar act of 1946 and subsequent amending legislation. The Chancellor's budget message of March 30, 1971, and a subsequent

[139] *Capital* (Kerr edition), I, p. 15.

White Paper,[140] proposed higher benefits for workers experiencing accidents at work (and in social security benefits generally) and some changes in contributions. These changes became effective September 20, 1971, and the illustrative benefit and contribution rates given in this and the following chapter reflect these changes.

Standard weekly contributions for workmen's compensation must be paid by and for all employed persons. An adult male employee now contributes 5 pence (US$0.12) weekly and his employer 6 pence (US$0.1.44). Lower rates apply to women and young persons. The aggregate insurance contributions are supplemented from general revenues.

Injury benefit is payable during a period of not more than 26 weeks from the date of an industrial accident or the development of a prescribed disease while a person is incapacitated for work. The basic rate (from September 20, 1971) is £8.75 (US$21) a week, and lower rates for boys and girls under 18 without dependents. Additions to the basic benefit are payable for dependents—£3.70 for a dependent wife, £1.85 for the first or only child, 95 pence for the second child, and 85 pence for each subsequent child. Thus, the total weekly benefit for a family of four (man, dependent wife, and two dependent children) is £15.25 (US$36.60).

After entitlement to injury benefit has ceased, an industrial disablement pension (or in some cases, a lump sum) is payable if loss of physical or mental capacity occurs.[141] Disablement benefit consists normally of a basic amount to which may be added one or more supplementary payments according to individual circumstances. The basic pension is based on a medical assessment of the worker's loss of faculty as a result of the industrial injury. An assessment of 100 percent carries a monthly pension of £10 (US$24). Proportionately smaller pensions are paid for assessments of less than 100 percent; for assessments of less than 20 percent, lump-sum payments usually are made. Increases of disablement benefit are payable in certain circumstances to those with severe disablement or particular difficulties. Examples are unemployability supplement at a weekly rate of £6; constant attendance allowance up to £4 weekly (higher in exceptionally severe cases); a special hardship allowance up to £4 a week to a person who is unfit to return to his regular job or work of an equivalent standard; and a hospital treatment allowance during treatment as an in-patient for the injury or disease.

Allowances for dependents are payable with unemployability supplement and hospital treatment allowance. Lower basic rates of disablement benefit (with increases in some circumstances) are payable to boys and girls under 18 without dependents. The industrial disablement pensioner who satisfies the national insurance contribution conditions can normally receive also unemployment benefit, sickness benefit, or retirement pension in full, but not if he is receiving an unemployability supplement.

If the industrial injury results in death, provision is made for an initial widow's allowance for 26 weeks (and additional allowances for dependent children), followed by a pension, the amount varying according to circumstances. If a widow remarries, her pension ceases, but she receives a remarriage gratuity equal to 1 year's pension. Allowances for the care of dependent children can be paid to adults other than the widow.

An alternative to compensation for industrial injury under the national insurance system is personal legal action. The injured person may seek legal redress by claiming damages in the courts. Claims may be based either on alleged employer negligence or the breach of a statutory duty to protect unemployed persons. To guard against damages arising from such suits, employers typically have insured against the liability, and the Employers' Liability (Compulsory Insurance) Act, 1969, made such insurance, with certain exceptions, mandatory. Another measure in 1969, the Employers' Liability (Defective Equipment) Act, extended employer liability for injury suffered by an employee from defective equipment to situations in which the defect could be attributable wholly or in part to the fault of a third party.

[140] Department of Health and Social Security. *The 1971 Increases and Other Changes in Social Security Benefits* (H.M. Stationery Office, April 1971, Cmnd. 4652).

[141] The basic disablement pension award is not affected by earning capacity and may be paid to a person who remains at work or who has returned to work.

Chapter XIII. Social Insurance, Family Allowances, and the National Health Service

Social Insurance

On June 10, 1941, an announcement was made in the House of Commons of the appointment of an Interdepartmental Committee on Social Insurance and Allied Services under the chairmanship of Lord (then Sir William) Beveridge. The members of the Committee, other than its chairman, were civil servants, who acted as advisers and assessors on technical and administrative matters within their particular competence. The Committee's terms of reference were: "To undertake, with special reference to the interrelation of the schemes, a survey of the existing national schemes of social insurance and allied services, including workmen's compensation, and to make recommendations." The report of the Committee, made in the name of its chairman, was submitted on November 20, 1942.[142]

The aim of the Beveridge Report was to provide a plan for the abolition of want. To this end, the report proposed ". . . as its main method compulsory social insurance, with national assistance and voluntary insurance as subsidiary methods. It assumes allowances for dependent children, as part of its background. The plan assumes also establishment of comprehensive health and rehabilitation services and maintenance of employment, that is to say avoidance of mass unemployment, as necessary conditions of success in social insurance." [143]

Unlike the work of most governmental commissions, the Beveridge Report had profound influence on the course of social development. It was issued, as it turned out, at the proper conjuncture of events. The great depression of the 1930's had produced, through Keynes and others, a revolution in ideas on the management of the economy and of the role of government in the economic process. World War II produced broad consensus on the need to prevent recurrence of the large-scale unemployment and the desperate insecurities of the interwar years. The Beveridge proposals themselves were couched in realistic rather than utopian terms. Thus, the relation between income redistribution and the elimination of want was not viewed primarily in terms of factor shares (wages and salaries, profits, interest, and rent). Indeed, the report emphasized that ". . . better distribution of purchasing power is required among wage earners themselves, as between times of earning and not earning, and between times of heavy family responsibilities and of light or no family responsibilities. Both social insurance and children's allowances are primarily methods of redistributing wealth . . . Properly designed, controlled and financed, [social insurance] need have no depressing effect on incentive." [141]

What Beveridge proposed was, in effect, a unified system of social insurance with universal coverage, and, in addition, a plan of national assistance for those whose income needs, for one reason or another, could not be met through the social insurance system. This section deals only with social insurance. Subsequent sections of this chapter consider national assistance (now termed supplementary benefits), family allowances, and the National Health Service. Social provision for "redundancy" payments (separation pay) was described in chapter IX, and compensation for industrial injuries in chapter XII. Taken together, these various programs provide at least minimum protection against loss of income from the major hazards of modern economic life.

The present unified national insurance system came into operation on July 5, 1948. The National Insurance Act, 1965, which consolidated the initial and subsequent amending legislation, forms the legal basis for the present program.

The structure of the program and conditions for eligibility have not altered greatly since the unified system began. Of course, numerous

[142] Sir William Beveridge, *Social Insurance and Allied Services* (H.M. Stationery Office, 1942, Cmnd. 6404. An American edition of the report was published by the Macmillan Company, New York, 1942).

[143] Beveridge, *Social Insurance*, p. 8.

[141] Beveridge, p. 167.

changes have been made in benefit rates, allowances, and grants to compensate for increases in the cost of living and to improve the real value of the benefits provided. The flat-rate benefit system was modified in April 1961, when graduated old-age pension arrangements were inaugurated, and the same principle was extended in October 1966, to provide earnings-related supplements to flat-rate unemployment and sickness benefits and to widow's allowances.

National Insurance System

Coverage and Financing. Coverage under the national insurance system is universal. Every person of working age—i.e., between school-leaving age (now 15) and retirement at or after the minimum pension age (65 for men, 60 for women)—is legally bound, regardless of income, to take part in the program.

The insurable population is divided into three classes:

Class 1. Employed persons. Most people who work for wages or salaries under a contract of service or paid apprenticeship.

Class 2. Self-employed persons. Mainly those in business on their own account and others who are working for gain but not under a contract of service.

Class 3. Nonemployed persons.

People in each of these classes pay a weekly flat-rate contribution to the insurance system. The rate differs for each class, and within each class for men, women, boys, and girls. The total amount of the weekly flat-rate contribution includes, in addition to a contribution to the national insurance system, a contribution to the National Health Service. For those in class 1, it also includes a contribution to workmen's compensation. For employed persons (class 1), employers as well as employees contribute. The employer's part of the class 1 contribution includes, in the case of adults, a contribution to the "redundancy" payments program (see chapter IX), which is not properly part of the social insurance system. This item is omitted from the contribution rates shown in table 28, together with the selective employment tax paid by employers.[145]

[145] As explained in chapter XI, footnote 133, the selective employment tax was imposed by the Finance Act of 1966 to encourage economy in the use of labor in the service industries, and is scheduled for abolition by the present government. The tax is collected through the national insurance system as a matter of convenience.

TABLE 28. EXAMPLES OF WEEKLY NATIONAL INSURANCE CONTRIBUTIONS[1] EFFECTIVE SEPTEMBER 20, 1971

Category	In pounds					
	Employed person			Employer[2]		
	Total	Flat rate	Graduated	Total	Flat rate	Graduated
Employed man not contracted out of graduated part of pension scheme:						
Earnings £10	0.94	0.88	0.06	0.947	0.887	0.06
20	1.42	0.88	0.54	1.427	0.887	0.54
30	1.85	0.88	0.97	1.857	0.887	0.97
42	2.35	0.88	1.47	2.357	0.887	1.47
Contracted out:						
Earnings £20	1.15	1.00	0.15	1.157	1.007	0.15
42	2.08	1.00	1.08	2.087	1.007	1.08
Employed women[3] not contracted out:						
Earnings £10	0.81	0.75	0.06	0.831	0.771	0.06
20	1.29	0.75	0.54	1.311	0.771	0.54
30	1.72	0.75	0.97	1.741	0.771	0.97
42	2.22	0.75	1.47	2.241	0.771	1.47
Contracted out:						
Earnings £20	0.98	0.83	0.15	1.001	0.851	0.15
42	1.91	0.83	1.08	1.931	0.851	1.08

[1] Including workmen's compensation and National Service contributions.
[2] Excluding Redundancy Fund contribution and Selective Employment tax, each of which is payable only by the employer and neither of which is properly a national insurance contribution.
[3] Including married women not "opted out."

SOURCE: Department of Health and Social Security, *The 1971 Increases and Other Changes in Social Security Benefits* (London: H.M. Stationery Office, April 1971, Cmnd. 4652), appendix V, p. 18.

Table 28 shows examples of rates of social insurance contributions separately for employed men and women at various earnings levels effective September 20, 1971. Flat-rate contribution is lower for women than for men. It is also lower for both men and women whose national insurance card is marked "Special"—that is, employed persons over 65 (60 for women) who are treated as retired, and for certain married women and widows. Graduated contributions are payable on that part of weekly pay which lies between £10 and £42, the amount of the contribution depending on whether the employee has been "contracted out" of the graduated part of the pension scheme.[146] Married women, whether employed or not, may "opt out"; that is, they may choose either to pay flat-rate contributions themselves or rely on their husband's insurance which covers them for maternity grant, retirement pension (at a lower standard rate), widow's benefit, and death grant. An employed married

[146] An employer can contract employees out if he satisfies the Registrar of Nonparticipating Employments that the employees are covered by an adequate private pension scheme.

woman must pay industrial contributions for workmen's compensation and graduated contributions.

As table 28 indicates, the weekly flat-rate contribution by an adult male employee who has not contracted out of the graduated pension scheme is 88 pence (US$2.11). The employer's contribution is slightly higher. The graduated contribution of both employee and employer is equal at each earnings level. An employee not contracted out and earning £30 weekly pays a total social insurance contribution of £1.85 (US$4.44). His employer would pay only a fraction of a penny more. The flat-rate contribution for men who have contracted out is somewhat higher, but the graduated contribution is lower. Table 28 also shows contribution rates for employed adult women.[107]

Payments into the national insurance fund are supplemented by grants from the central government. In 1969, total receipts, including government grants of £368 million (US$883 million), were £2,442 million (US$5,860 million).[108] Principal expenditures were for retirement pensions, £1,609 million (US$3,861 million); sickness benefit, £369 million (US$886 million); widow's benefits and guardians' allowances, £161 million (US$386 million); and unemployment benefit, £131 million (US$314 million).

The following benefits are available under the main national insurance scheme for the three classes of covered persons:

Unemployment benefit [109] [110]
Sickness benefit [109]
Maternity allowance [110]
Maternity grant
Widow's allowance
Widowed mother's allowance
Widow's pension
Guardian's allowance
Child's special allowance
Retirement pension
Death grant

[107] The total weekly flat-rate social insurance contribution for self-employed men is £1.50 and for women £1.25. For nonemployed persons, a small group, the adult male contribution is £1.20 and the adult female contribution 94 pence.

[108] Central Statistical Office, *National Income and Expenditures* (London: H.M. Stationery Office, 1970), table 40, p. 47.

[109] Not available to self-employed persons.

[110] Not available to nonemployed persons.

In addition, employed persons are eligible for compensation in case of industrial injury. The main types of benefits are discussed briefly in the following sections.

Unemployment benefit. Unemployment benefit is administered through the Employment Exchange System. Effective September 20, 1971, the standard weekly flat-rate unemployment benefit for a single person over 18 years of age was £6, plus £3.70 for an adult dependent, £1.85 for the first dependent child, 95 pence for the second child, and 85 pence for the third and each additional child. Thus, the weekly flat-rate benefit for a family of four (husband, dependent wife, and two dependent children) was £12.50 (US$30).

For an insured married woman over 18 years of age, the weekly flat-rate benefit was £4.20 (US$10.08). However, she may be paid at the standard rate under certain circumstances (e.g., if she is maintaining an invalid husband).

The weekly unemployment benefit for a young person under 18 was £3.30 (US$7.92). If he is entitled to an increase for an adult dependent or for a child, he is paid the adult rate.

Two contribution conditions must be satisfied for the receipt of unemployment benefit. First, the employee must have paid at least 26 class 1 flat-rate contributions since he became insured. Second, to get benefit at the standard rate during a benefit year, he must have paid or been credited with at least 50 class 1 flat-rate contributions in the previous contribution year. If fewer than 50 but at least 26 contributions have been paid or credited during the contribution year, benefit is paid at a reduced rate. The benefit year starts 5 months after the end of the contribution year.

Flat-rate unemployment benefit is payable for up to 312 days (that is, 1 work year, not counting Sundays) in any period of interruption of employment.[111] Once a worker's benefit has run out, he cannot get it back until he has returned to work and has paid at least 13 more class 1 flat-rate contributions. Benefit usually is not paid for the first 3 days of a short spell of unemployment, for isolated days of unem-

[111] Spells of unemployment not separated by more than 13 weeks count as one period of interruption of employment.

ployment, or for days on which the employee would not normally work.

A claimant for flat-rate unemployment benefit may be disqualified for a period up to 6 weeks if he (a) leaves a job without just cause or loses it through his own fault; (b) refuses without good cause a suitable job or training when offered; or (c) fails to take reasonable steps to get a suitable job when he is told about one. He is disqualified also, if his unemployment results from participation in strike action at his place of employment. However, the family of a disqualified striker is entitled, on the basis of need, to receive state welfare benefits.

An earnings-related supplement to unemployment benefit is payable to a person over age 18 and under minimum pension age who is entitled to a flat-rate unemployment benefit and who had reckonable earnings [151] of at least £450 (US$1,080) in the relevant income tax year, normally the last complete income tax year. The amount of the supplement is scaled according to average weekly earnings in the range of £10 to £42. The supplement is payable for up to 26 weeks, but is not payable for the first 12 days of unemployment. When employment has not been terminated (e.g., as in the case of lay-off) the supplement is not payable for the first 6 days (excluding Sundays and holidays). These 6 days are in addition to the initial 12 days for which the supplement is not payable.

Sickness benefit. The standard rates of flat-rate sickness benefit, including increases for dependents, are the same as for unemployment benefit. The contribution conditions are also the same, except that class 2 as well as class 1 contributions will be counted.

Once a claimant has paid 156 class 1 or class 2 flat-rate contributions, and provided he has paid or been credited with 50 contributions in the previous contribution year, he can get, if he qualifies medically, flat-rate sickness benefit for an unlimited period. Until he has paid 156 flat-rate contributions, he cannot get flat-rate benefit for more than 312 working days. At the expiration of this period, he cannot get flat-rate benefit again until he has been back at work and paid contributions for 13 weeks as an employed or self-employed person. Flat-rate benefit usually is not paid for the first 3 days of a short spell of sickness, or for isolated days of sickness. Earnings-related sickness benefit is the same as for unemployment benefit. The payment of sickness benefit is contingent upon transmittal to the local Social Security Office of a medical certificate testifying to the incapacity of the claimant for work.

Retirement pensions. The minimum age for the receipt of a retirement pension is 65 for a man and 60 for a woman. Up to age 70 for a man and 65 for a woman, the receipt of a pension depends on retirement from regular work. Over those ages a pension can be paid whether the pensioner has retired or not. A married woman who relies on her husband's contributions for flat-rate pension purposes can receive a pension when she retires (that is, at age 60 if she does little or no paid work), but only if her husband is already a retirement pensioner; otherwise, she cannot qualify until he retires or reaches age 70.

"Retirement" does not necessarily mean the complete relinquishment of paid employment. Under an "earnings rule," a person will be treated as retired if his net weekly earnings are not expected to be more than £9.50 (US$22.80), or are expected to exceed that amount only occasionally. Earnings in excess of the stated amount involve a reduction in pension. Other earnings exceptions are decided on a case by case basis. The earnings rule does not apply at age 70 (65 for women).

The standard flat-rate pension for those who retire at minimum pension age is £6 weekly. A man's pension can be increased if he has a dependent wife who is not qualified for a pension in her own right, and by additional amounts if he has or is responsible for dependent children. Thus, the minimum weekly pension for a married couple is £9.70 (US$23.28). Incremental additions to pension can be earned by work after age 65 for a man or 60 for a woman up to ages 70 and 65, respectively.[153] Finally pensions will be increased to the extent that claimants

[151] Reckonable earnings are those on which income tax is assessable under Schedule E (income from employment or pensions) and is payable through the pay as you earn system.

[153] For every 9 flat-rate contributions paid for weeks of employment or self-employment between ages 65 (60 for women) and 70 (65 for women) the flat-rate pension will be increased by 6 pence.

have earned "units" of graduated pension since the graduated part of the pension scheme began in April 1961.[154] The receipt of a private pension does not affect a claimant's rights under the state system.

Two contribution conditions are required to qualify for a pension. One is that normally the claimant must have paid at least 156 flat-rate contributions of any class; the second is that, for a pension at the standard rate, an average of 50 flat-rate contributions must have been paid or credited over a specified period. If the yearly average is below 50, but at least 13, pension at a reduced rate is paid.[155]

Retirement pensions are administered by the Department of Health and Social Security. There were almost 7 million retirement pensioners in Great Britain at the end of 1968. In that year, about 32 percent of the awards made to men pensioners and 24 percent to women qualifying on their own insurance included an increment because of deferred retirement.

Other social insurance benefits. Various other benefits are available under the national insurance system. These include maternity benefits, which are of two kinds. A maternity grant (£25) is payable for all confinements, provided either the mother or her husband satisfies certain contribution conditions. A maternity allowance is payable at the standard rate of £6 weekly for 18 weeks to women who normally are working and are themselves paying national insurance contributions. (Benefits begin 11 weeks before the expected week of confinement and ending after the 6th week following the expected week, or the actual confinement, if this is later.)

Various benefits are provided for widows, including a widow's allowance (a standard flat-rate allowance of £8.40 a week, and increases for dependent children, for the first 26 weeks of widowhood); a widowed mother's allowance for widows with dependent children after the 26-week allowance period (£6 weekly, and increases for dependent children);[156] a widow's pension at the standard weekly rate of £6 if (1) the widow was 50 years of age or over when her husband died and had been married for 3 years or more, or (2) if, after the expiration of the widowed mother's allowance, she is then over 50 years old and 3 years have elapsed since the date of her marriage. Widow's benefit stops if the widow remarries. Retirement pension usually is paid instead of widow's pension to widows who are 60 or over when widowed. Other widows qualify for retirement pension on their own insurance when they retire on or after reaching age 60.

A guardian's allowance of £2.95 weekly is paid to a person who takes into his family a child whose parents are dead. Also, a special allowance is available to a woman whose marriage has been dissolved or annulled, if on the death of her former husband she has a child towards whose support he was contributing or had been liable to contribute.

Finally, a death grant, at a standard rate of £30 for an adult and a smaller sum for a child, is payable on the death of an insured person, or of the wife, husband, or child of an insured person.

Family Allowances

A universal system of family allowances was adopted in 1945; the legal basis for present arrangements is provided by the Family Allowances Act, 1965, which consolidated earlier legislation. The purpose of family allowances is to increase the incomes of families with more than one dependent child. At present, an allowance of 90 pence (US$2.16) a week is paid for the second child in the family, and £1 for each child after the second. The allowances are paid to families regardless of income, and are financed from general tax revenues. Since allowances must be included in statements of income for income tax purposes, their benefit is greatest for low-income families who pay little or no tax.

[154] The cost of the "unit" is higher for women because they can qualify for pension 5 years earlier than men. Since those who have "contracted out" of the graduated scheme nonetheless make contributions, but at a lower rate than those who have not contracted out, they may qualify for some graduated pension. (See table 28.)

[155] For married women claiming pension on their own insurance, an additional condition is that they have paid or been credited with a substantial number of flat-rate contributions since marriage.

[156] A widow whose son or daughter has left school and does not qualify as a dependent child, but is still under the age of 19 and living with her, can also get a widowed mother's allowance, but without increases for children.

For family allowance purposes, a child is defined as one under the statutory minimum school-leaving age of 15 or for any further period between then and his 19th birthday during which he is receiving full-time instruction in an educational institution, or is an apprentice. There are special rules for children who, because of mental or physical illness, are neither at school nor capable of working, and for children who are not living with their parents.

Claims for family allowances are decided by independent statutory authorities appointed under the National Insurance Acts for this purpose. Rights of appeal exist. As of March 31, 1970, over 4 million families containing more than 11 million children were in receipt of family allowances.[157]

Supplementary Benefits

The Supplementary Benefits Scheme is designed to bring a person's income or resources up to a level approved by Parliament. The level consists of a basic rate to which an addition may be made for rent. Other increases may be made for certain necessary additional expenses. This program, which replaced the National Assistance Scheme in November 1966, is administered by a Supplementary Benefits Commission within the Department of Health and Social Security. Its legal basis is the Ministry of Social Security Act, 1966.

Supplementary benefits provide, in effect, guaranteed minimum incomes for different types of claimants. Entitlement to supplementary benefits, unlike benefits payable under the national insurance program, involves a means test. The relevant legislation incorporates rules for deciding how much of a claimant's capital and various forms of income can be disregarded in making the comparison between resources and requirements.

Every person aged 16 or over who is not in full-time employment and whose resources, as calculated in accordance with the act, fall short of his requirements is entitled to a supplementary benefit. The benefit takes the form of a supplementary pension for those over statutory retirement age (65 for a man and 60 for a woman), and of a supplementary allowance for others. The benefit is the amount by which a person's requirements exceed his available resources, both being defined by the appropriate rules. The calculation of requirements is based on different amounts for single persons and family groups, with an addition for rent. Special higher amounts are available for blind people; for the elderly and most other long-term cases, a special addition (a so-called long-term addition) is made.

To illustrate: the weekly supplementary benefit level for a husband and wife pensioner household is presently £9.45 (US$22.68) plus rent. The long-term addition of 50 pence, to which most pensioners would be entitled, would raise this level to £9.95 (US$23.88). If resources, as calculated under the act, fall below this level, the difference would be paid as supplementary benefit. Thus, in effect an annual income of £517.40 (US$1,241.76) plus rent is guaranteed a married couple pensioner household. In certain circumstances, an additional benefit may be paid. In the case of a single pensioner household, his total weekly income would be made up to at least £6.30, including the long-term addition plus rent.

Claimants for supplementary allowance (those below pension age) include the sick, disabled, unemployed, and mothers left with the care of young children. Payment generally is limited to 4 weeks in the case of unskilled single men under the age of 45 who are fit for work and where work is available in the locality. Claims from all healthy unemployed men and women under the age of 45 are reviewed after 3 months. Able-bodied men of working age generally must register for work at an employment exchange; their allowance then is paid at the exchange. In other cases, the supplementary allowance is paid weekly through a post office.

In November 1970, supplementary benefits were being paid in 2,738,000 cases. Almost 70 percent of the payments were to persons over pension age. Those under pension age receiving supplementary allowances included sick and disabled persons, unemployed persons, widows receiving widow's pension or benefit, and several other categories of claimants. There is a right of appeal against all decisions on claims to Supplementary Benefit Appeal Tribunals.

[157] The number of children includes the elder or eldest child, for whom no allowance is payable, but excludes children over the age limit.

The Supplementary Benefits Commission is responsible for the administration of reception centers and reestablishment centers. Reception centers provide accommodation for unsettled, homeless people, and attempt to integrate them into the community. This means finding suitable living quarters and, when they are fit for work, suitable employment. The reestablishment centers provide instruction or training calculated to fit people for entry or reentry into employment. In the main, they cater to men receiving supplementary allowances who have been unemployed continuously for long periods and who have, in consequence, lost the habit of work. They do not attempt to teach specific trades or skills, which is a responsibility of the Department of Employment. In cooperation with that Department, the centers do attempt to find each man suitable employment eventually.

National Health Service

The National Health Service Act, 1946, provided for the establishment in England and Wales of "a comprehensive health service, designed to secure improvement in the physical and mental health of the people . . . and the prevention, diagnosis and treatment of illness." The National Health Service (Scotland) Act was passed in 1947. Both acts came into effect in 1948. The two acts are similar, although they are administered differently.

The Health Service makes free medical, hospital, and dental care available to all residents of Great Britain, except for a small contribution payable under the national insurance system and small charges for some items. All but a small proportion of the population use the service, and an overwhelming proportion of the members of the medical and allied professions participates.

Expenditures for the National Health Service for the year ended March 31, 1970, were estimated at £1,763 million (US$4,231 million), of which £1,705 million represented expenditures by the central government.[158] The service is financed largely from general tax revenues. As previously noted, however, small health service contributions are collected under the National Insurance Scheme, and there are charges for certain items. As of April 1, 1971, the flat-rate prescription charge, for example, was 20 pence (US$0.48), except for elastic hosiery, for which charges were somewhat higher. Charges are made for wigs. For dental treatment, patients pay about half the cost, subject to a ceiling of £10. The initial examination and repairs to dentures are free, but a charge of £7 is made for full dentures. Sight testing is free, but charges are made for lenses. There are various income-related and other exemptions to these charges, and it is fair to say that no one is denied medical care because of lack of resources.

The backbone of the Health Service, in a sense, is formed by the general practitioners, who numbered about 22,700 in Great Britain in 1969. Patients may choose their doctor, and may change doctors with a minimum of formality. Doctors similarly may accept or refuse patients, but they have a general obligation to provide emergency treatment where necessary. The maximum number of patients that a doctor may accept under the Health Service is 3,500; in 1969, the average number of patients per doctor was about 2,500 in England and Wales and about 2,100 in Scotland. A doctor participating in the Health Service may accept paying patients if he cares to do so.

The general practitioner has complete clinical freedom in the treatment of his patients. In difficult cases, he may refer patients to specialists and hospitals for diagnosis and treatment. The general practitioner service is almost always operated from the doctors' own offices (surgeries), to which patients go for advice and treatment unless home visits are required. Family doctors frequently practice in partnership and group practice is increasing.

Doctors in general practice are remunerated partly on the basis of capitation fees paid according to the number of patients on a doctor's list. A higher fee is paid for each patient age 65 and over, and additional payments are made for a variety of specific services and conditions of practice (e.g., for practicing in an area that has been short of doctors for several years, for practicing in a group, for seniority, for visits

[158] Central Statistical Office, *Annual Abstract of Statistics, 1970*, table 52, p. 58. Government expenditures, including capital expenditures, were £1,861 million (ibid., table 41), or about 4.8 percent of gross national product.

to patients at night, for maternity services, etc.). The average family doctor earns between £4,500 and £5,000 (US$10,800 and US$12,000 annually.

Backing up the general practitioner are hospital and specialist services that provide all forms of hospital care and treatment. In 1969, 525,000 staffed hospital beds were available; the average daily occupancy rate was about 83 percent. Upward of 600,000 persons were on hospital waiting lists as of the end of December 1969.

The dental service provides patients with all forms of treatment necessary for dental fitness. As in the family doctor service, there is complete freedom of choice by patients of dentists and by dentists of patients. Unlike the medical service, patients are not required to register with dentists, the normal practice being to visit a dentist's office by appointment. Dentists providing treatment in their own offices are paid on a prescribed scale of fees. Treatment also may be carried out at dental hospitals as part of the hospital service. As previously noted, charges are made for dentures, although not for their repair. Certain treatments and procedures require the approval of the Dental Estimates Board composed mainly of dental practitioners. Eye services, including spectacles, also are available under the National Health Service.

Everyone receiving treatment under the family doctor service is entitled to drugs, medicines, and certain appliances prescribed by his physician. As noted earlier, there normally is a flat-rate charge to the patient for prescriptions. Chemists (pharmacists) dispensing prescriptions under the National Health Service are paid the cost of the ingredients of each prescription, a percentage of cost designed to cover overhead, a container allowance, and a professional fee.

In addition to the National Health Service proper, the health and welfare services of local authorities play an important role in promoting the physical well-being of people in the communities they serve. Local authorities often work in cooperation with voluntary organizations to which they may make grants, lend premises, or give help in other ways.

The work of the local authorities is mainly among four broad groups of people: mothers and young children; the elderly; the mentally disordered; and the physically handicapped. They also offer services to the ill and convalescent at home, and to the temporarily homeless. In England and Wales, local authorities are responsible for the ambulance service.

Coordinated closely with the National Health Service, but independent of it, is the School Health Service through which every child attending a publicly maintained school is given a number of general medical and dental examinations during his school career, and such other examinations as are found to be necessary or advisable.

Other Insurance and Retirement Systems

The discussion of supplementary wage payments in chapter XI indicated that private pension plans (occupational pension schemes in British terminology) financed at least in part by employers now cover a significant segment—more than two-fifths—of employment in Great Britain. As we have seen, employees may be contracted out of the graduated portion of the social security pension arrangement if they are covered by an appropriate private plan. In view of the comparatively large number of old-age pensioners who need supplementary benefit payments, the growth of private plans, and the introduction in 1961 of earnings-related supplements to the State old-age pension system, represent highly desirable developments.

Medical and hospitalization insurance plans, which constitute an important "fringe benefit" in American industry, are unnecessary in Great Britain in view of the comprehensive health care provided for largely out of general government revenues.

Two other provisions against income loss that are not in any strict sense insurance arrangements deserve mention at this point. One is the legal provision for severance pay under the Redundancy Payments Acts of 1965 and 1969. (See chapter IX.) The other is the widespread existence of paid sick leave in British industry, which clearly provides a valuable supplement to sickness insurance under the national insurance system.

Appendix A. Major Labor and Social Security Legislation in Great Britain [1]

Industrial Relations
- Conspiracy and Protection of Property Act, 1875
- Conciliation Act, 1896
- Trade Union Act, 1913
- Industrial Courts Act, 1919
- Industrial Relations Act, 1971 [2]

Wage Regulation
- Agricultural Wages Act, 1948
- Agricultural Wages (Scotland) Act, 1949
- Wages Councils Act, 1959

Severance Pay
- Redundancy Payments Acts, 1965 and 1969

Wage Payment
- Truck Acts, 1831 to 1940
- Payment of Wages Act, 1960

Equal Pay for Women
- Equal Pay Act, 1970

Industrial Health and Safety
- Railway Employment (Prevention of Accidents) Act, 1900
- Agriculture (Poisonous Substances) Act, 1952
- Mines and Quarries Act, 1954
- Agriculture (Safety, Health and Welfare Provisions) Act, 1956
- Factories Act, 1961
- Offices, Shops and Railway Premises Act, 1963

Hours of Work for Women and Young Persons in Industrial Employment
- Factories Act, 1961

Employment Exchanges, Youth Employment Service, and Job Training
- Employment and Training Act, 1948
- Disabled Persons (Employment) Acts, 1944 and 1958
- Industrial Training Act, 1964

[1] Complete listings can be supplied by the Department of Employment for labor legislation and by the Department of Health and Social Security for social security, supplementary benefits, family allowances, and health care legislation.

[2] The Industrial Relations Act, 1971, repealed certain earlier industrial relations acts either wholly or in part. Acts wholly repealed are not listed.

Terms of Employment and Termination Notices
Terms and Conditions of Employment Act, 1959
Contracts of Employment Act, 1963

Racial Discrimination in Employment
Race Relations Act, 1968

National Insurance, Supplementary Benefits, and Family Allowances[1]
National Insurance Act, 1965
National Insurance (Industrial Injuries) Act, 1965
Family Allowances Act, 1965
National Insurance Act, 1966
Ministry of Social Security Act, 1966

General Medical, Hospital and Dental Care[1]
National Health Service (Scotland) Act, 1947
National Health Service Act, 1946

[1]Only the most basic social security and health service acts are listed; acts primarily for the purposes of increasing benefits, contributions, or charges are not listed.

Appendix B. Northern Ireland

The Constitutional Position

Northern Ireland, consisting of six countries with an area of 5,452 square miles and an estimated population (mid-1970) of 1,524,000, occupies a particular constitutional position within the United Kingdom. The Government of Ireland Act, 1920, provided a constitution for Northern Ireland which, while preserving the supreme authority of the United Kingdom Parliament, gave Northern Ireland its own legislature and executive to deal with domestic affairs. On March 24, 1972, the British Prime Minister, in view of the escalating civil strife in Northern Ireland, announced to Parliament that home rule would be suspended for at least a year, and that Northern Ireland would be ruled directly from London. Implementing legislation was passed several days later, and a Secretary of State for Northern Ireland was appointed.

Under Ulster home rule, most legislation enacted by the United Kingdom Parliament, in which Northern Ireland has 12 out of 625 seats, did not apply to Northern Ireland. The Redundancy Payments Act, 1965, for instance, provides that "If legislation is passed for purposes similar to the purposes of this Act by the Parliament of Northern Ireland, the Minister may, with the consent of the Treasury, make reciprocal arrangements with the appropriate Northern Irish authority for co-ordinating the provisions of this Act with the corresponding provisions of the Northern Irish legislation, so as to secure that they operate, to such an extent as may be provided by the arrangements, as a single system." [1]

Similarly, the Industrial Relations Act, 1971, does not apply to Northern Ireland. In a statement on December 2, 1970, the day after the bill was introduced at Westminster, the Minister of Health and Social Services for Northern Ireland, who has responsibility for industrial relations, declared that "No decision on the introduction of any legislative proposals in this field has been taken by the Northern Ireland Government."

In general, most labor and social security legislation in Northern Ireland is similar to, but not necessarily identical with, that for Great Britain. It is not practicable in this study to attempt to compare the two bodies of legislation. This appendix attempts simply to provide a brief introduction to labor and social conditions in Northern Ireland.[2]

Government and Politics

The Government of Northern Ireland, before the assumption of direct rule from Westminster, consisted of a House of Commons of 52 members last elected in 1969, and of a Senate of 25 members. In the Commons, 34 seats were held by the Unionist Party, which generally represents the Protestant majority, and 5 additional seats by the Independent and Protestant Unionist parties. The remaining 13 seats were divided among four parties and an independent member.

Government administration was headed by a Prime Minister. There were seven ministries, which presumably will continue to function under direct London rule. Responsibility for labor affairs is lodged in the Department of Labour Affairs, which is part of the Ministry of Health and Social Services. The Department is headed by a deputy secretary, who reports to the Ministry's permanent secretary, and two assistant secretaries. The major work of the

[1] Redundancy Payments Act, 1965, section 58(1).

[2] The Government of Northern Ireland, Economic Section, issues a semi-annual *Digest of Statistics* (Belfast: H.M. Stationery Office), which is of great importance in the study of economic and social conditions. Considerable data separately for Northern Ireland appear in the United Kingdom *Monthly Digest of Statistics* and in the *Annual Abstract of Statistics*.

Department relates to employment services, including the employment exchange system and job training, factory inspection, conciliation of industrial disputes, wages councils, and redundancy payments. The Ministry additionally is responsible for the administration of social security, national assistance, and the health services for Northern Ireland. The family allowances schemes of Great Britain and Northern Ireland operate as a single system. Workmen's compensation legislation in Northern Ireland is similar to that in Great Britain.

The population of Northern Ireland is approximately two-thirds Protestant and one-third Roman Catholic. Politically, the most urgent problem is to reconcile, in this pleasant land, grave differences between these two religious communities. These differences erupted in violence in Londonderry in October 1968. The differences have social and economic as well as religious roots. The extremists, both Catholic and Protestant, appear to represent small fractions of the respective populations, and it is reported that communal differences have not resulted in serious problems on the shop floor.

The Government, before March 1972, had taken a number of steps in an effort to ease tensions. A Ministry of Community Relations was established in March 1969, with two broad responsibilities: (1) to formulate and sponsor policies for the improvement of community relations in Northern Ireland; and (2) to assist in the administration of the public services (e.g., public housing) so as to improve community relations.[3] The Electoral Law Act, 1969, provided for one-man, one-vote in local council elections, the principle always applied in Parliamentary elections. A Parliamentary Commissioner (or Ombudsman) has been in office since June 1969, and a Commissioner for Complaints (a local Ombudsman) since December 1969. The duty of the latter official is to deal with grievances against local councils and other public bodies. Both Commissioners are independent of the Government.

The Economy

The economy of Northern Ireland has a relatively larger agricultural component than Great Britain. As of March 1970, about 9.6 percent of the civilian working population, including employers and the self-employed, was engaged in agriculture, forestry, and fishing. Manufacturing occupied 34 percent. Within manufacturing, the principal industries were textiles, various engineering and metalworking industries, food, drink, and tobacco, and clothing and footwear. Aside from manufacturing, professional and scientific services, including education, accounted for the largest single sector of the working population, almost 13 percent.

The Government is vitally concerned to attract outside capital investment as a means of reducing the relatively high level of unemployment and raising the living standards of the Ulster people. At the beginning of 1971, overseas investment amounted to more than £200 million. Employment in overseas firms was 34,000, including 23,000 in plants of American firms. Financial incentives for new investment are more generous for both existing and new industry than those obtainable elsewhere in the United Kingdom. As recently announced by the Ministry of Commerce, the present program includes grants of 20 percent on expenditure on new plant and machinery and 35 percent on new buildings. Expenditure net of grant enjoys the increased tax allowance now applying in development areas in Britain and includes free depreciation for new industrial plant and machinery. Even more favorable terms are available for new projects that offer worthwhile expansion in employment opportunities. During the 6 years 1964 to 1969, almost 29,000 new jobs were provided by Government-sponsored industry in the manufacturing sector.

An English observer concluded in early 1971 with reference to the experience of foreign firms in Ulster that "So far, despite the troubles, most foreign companies are well satisfied. They find their work people friendly, cooperative and intelligent, and their unions on the whole constructive . . . Investors in Northern Ireland face some marginal disadvantages in that they often incur additional transport costs for new materials, components and exports . . . Yet they enjoy substantial offsetting

[3] See statement on "Ministry of Community Relations: Functions" (Belfast, February 18, 1971).

advantages."[4] Another analysis held that Ulster geographically ". . . is out on a limb and its economy is too: it is thereby less likely to get those massive pieces of investment in the spanking new technological industries for which other slow-growing regions in Britain are clamouring . . . its immediate need is to attract labour-intensive plants, first to lap up the pool of unemployment and second to get rid of the underemployment of its women workers."[5] Perspectives on economic and social development in Northern Ireland during the 5 years from 1970 are contained in a paper recently issued by the Government.[6]

Gross national product in Northern Ireland in 1968 (the most recent year for which data are available) was £696 million (US$1.7 billion). Manufacturing accounted for 35.5 percent of GNP. Gross domestic product at constant prices (a rough measure of real output for the economy as a whole) increased 22 percent between 1963 and 1968. Personal income for the fiscal year 1968–69, augmented by current grants from public authorities, was £736 million (US$1.77 billion), of which 62 percent represented income from employment. Self-employment income accounted for about 12 percent of the total, and rent, dividends, and interest for approximately 11 percent. The remainder (16 percent) represented public authority grants, national insurance benefits, family allowances, assistance grants, war pensions, and other types of payments.

Education, Health, and Housing

In Northern Ireland, both county schools, managed by local education authorities, and voluntary schools, usually under clerical management, are aided by Government grants. For the school year 1969–70, there were, 1,568 grant-aided schools (primary, secondary, and special) in Northern Ireland, of which 805, slightly more than half, were under the management of local education authorities. Almost 209,000 children were enrolled in primary schools, including nursery schools, and about 133,000 in secondary schools. Special schools for handicapped children had an enrollment slightly in excess of 2,000. Pupil-teacher ratios were relatively low: 29:1 in primary schools, about 19:1 in secondary schools, and 11:1 in special schools.

As in Great Britain, the legal school-leaving age is presently 15 years and is scheduled to rise to 16 in 1972. It is estimated that about 44 percent of the students now leave school at the minimum school-leaving age; an additional 17 percent continue at least to age 16. The remainder enter institutions of further education (e.g., technical colleges or institutes), teacher training colleges (about 5 percent), and universities (about 8 percent).

Queen's University in Belfast has more than 6,000 students, and the new University of Ulster in Coleraine over 1,300.

Life expectation at birth in Northern Ireland is 68.3 years for males and 73.7 years for females,[7] about on the level with Great Britain. Infant mortality (deaths of infants under 1 year of age per 1,000 live births) was 24 in 1969, compared with 18 in England and Wales and 21.1 in Scotland. Since the turn of the century, the expectation of life at birth has increased by about 50 percent, and dramatic reductions have been achieved in infant and maternal mortality. The birth rate in Northern Ireland is presently the highest in the United Kingdom.

As in Great Britain, Northern Ireland maintains a comprehensive system of medical, hospital, and dental care financed largely from general government revenues. As of early 1970, medical doctors on the health service list numbered 749 and dentists 331. More than 17,500 hospital beds were available.

A sample survey of family expenditures was made in 1968.[8] The average household in Northern Ireland contained 3.57 persons, compared with 2.96 persons in a similar survey in Great Britain in 1969. There were, on the average, 1.41 persons working per family.

Average weekly household expenditures on goods and services (excluding payments for taxes, national insurance, other types of pen-

[4] John Cockcroft, "Ulster's Industrial Conundrum," *Daily Telegraph* (London), March 5, 1971.

[5] See article "Stumbling Along" in the special section on "Ulster: A Survey" in *The Economist*, May 29, 1971.

[6] Government of Northern Ireland, *Northern Ireland Development Programme, 1970–75* (Belfast: H.M. Stationery Office, June 1970, Cmnd. 547).

[7] Based on Life Table, 1967–69.

[8] Government of Northern Ireland, *Digest of Statistics*, September 1970, table 111.

sion or insurance contributions, mortgages, etc.) were £25.03. Of this total, 27.9 percent was spent for food and only 8.7 percent for housing, excluding, however, mortgages and other payments for purchase or alteration of dwellings, but including "notional" rents for owner-occupiers and households living rent-free. Other major expenditure categories were transport and vehicles (14.0 percent); clothing and footwear (11.9 percent); durable household goods (7.6 percent); and fuel, light, and power (6.2 percent).

With respect to housing, 188,869 new homes were completed during the postwar period up to January 31, 1971, about 37 percent directly by local authorities. Private-sector housing is stimulated by a subsidy scheme confined to Northern Ireland. More than 700,000 people, almost half the poulation, are now living in postwar homes. The Government's development program contemplates the completion of about 15,000 additional homes annually during the period 1970–75, and significant progress on slum clearance and redevelopment.

Population, Labor Force, Employment, and Earnings

The following tabulation shows the estimated population of Northern Ireland as of mid-1970 and summary figures on its age distribution.[9] About 30 percent of the population was 14 years of age or younger, compared with slightly less than 24 percent in Great Britain. Less than 11 percent of the population was aged 65 and over; the corresponding figure for Great Britain was almost 13 percent. Only 59.3 percent of population was in the productive age groups between 15 and 64 years, compared with 63.2 percent in Great Britain.

	Total	*Male*	*Female*
	(In thousands)		
All ages	1,524	745	779
0–14	457	235	222
15–64	904	443	461
65 and over	163	67	96

The total labor force as of March 1970 (see accompanying table), numbered 598,900, of whom almost two-thirds were males. Employers and self-employed persons constituted 12.5 percent of the labor force, and the wholly unemployed almost 6 percent. The distribution of the employed segment of the labor force among major industry groups provides a broad view of the pattern of economic activity.

Unemployment in Ulster, compared with Great Britain, has been persistently high for many years. The employment effects of the declining importance of traditional Northern Ireland industries—agriculture, linen, and shipbuilding—have been mitigated but not erased by the growth of employment in other industries. The unemployment rate[10] in Northern Ireland in 1969 was 7.3 percent, compared with 2.4 percent in Great Britain; in 1970, the rates were 7 percent and 2.6 percent, respectively. The rate for males in Ulster is markedly higher than for females—in 1969 the respective percentages were 9.1 and 4.4. Relatively high unemployment probably contributes to communal difficulties in Northern Ireland. It explains the determined effort of the Government to attract outside investment and, at the same time, the motive power behind the outmigration of population, primarily to Great Britain.

In manufacturing as a whole, male blue-collar workers aged 21 and over had average weekly earnings of £20.90 (US$50.16) in Octo-

NORTHERN IRELAND: DISTRIBUTION OF THE WORKING POPULATION, MARCH 1970

Labor force category	Number (In thousands)
Total working population	598.9
Males	394.0
Females	204.9
Registered wholly unemployed	35.5
Males	27.8
Females	7.7
Employers and self-employed	74.9
Males	71.0
Females	3.9
Total employees in employment	488.5
Males	295.2
Females	193.3
Labor force in civil employment[1]	563.4
Agriculture, forestry, and fishing	54.2
Mining and quarrying	3.1
Manufacturing	188.6
Construction	53.0
Gas, electricity, and water	8.1
Transport and communication	24.5
Distributive trades	66.8
Insurance, banking, finance, and business services	11.0
Professional and scientific services	72.7
Miscellaneous services	41.5
Public administration and defense	39.7

[1] Including persons temporarily laid off.

SOURCE: Government of Northern Ireland, *Digest of Statistics*, September 1970, table 7.

[9] Central Statistical Office (U.K.), *Monthly Digest of Statistics*, February 1971, tables 10 and 11.

[10] Numbered registered at employment exchanges expressed as a percentage of the estimated total number of employees.

ber 1969, the most recent date for which such data are available. Hours worked averaged 44.2 a weeek. The level of weekly earnings for male factory workers was exceeded, among those industry groups for which data are available, only by workers in transport and communications, who averaged £22.89 for an average work week of 49 hours. In terms of average hourly earnings, the level for adult males in factory employment was higher than for any other group. The average weekly earnings in manufacturing of women aged 18 and over in blue-collar jobs was about half that of men, reflecting factors such as differences in occupational composition and probably, although hours data for women are not published, differences in average working hours.

Money wages have risen substantially in Northern Ireland in recent years. For adult male blue-collar workers in manufacturing, the increase from October 1960 to October 1969 was 73.5 percent. There is no index of retail prices specifically for Northern Ireland. If prices rose in line with those for the United Kingdom as a whole, the indicated advance in real earnings was in the neighborhood of 25 percent. Wage advances for women appear to have been relatively in line with those for men.

The average weekly earnings of male administrative, technical, and clerical employees in manufacturing averaged £28.06 (US$67.34) in October 1969; the corresponding average for females was £12.77 (US$30.64).

Job Training

Northern Ireland has a vigorous program of job training. The Department of Labour Affairs in the Ministry of Health and Social Services is directly responsible for training some 3,000 youths and adults each year in a wide variety of industrial skills, and pays a large share of the cost of training by industry of a further 5,000 annually.[11]

Particular attention is paid to the training needs of new industry, and the Ministry works directly with new firms to ensure that the settling-in period is as smooth as possible. A new firm may recruit workers in advance for training at a Government Training Center. Alternatively, it may recruit supervisors and instructors in advance and train them in the parent plant, so that a program of operative training can be launched as soon as the company sets up in Northern Ireland. It may recruit in advance a substantial nucleus of its work force at all levels and take them for training to the parent factory. The Ministry contributes heavily to the cost of all or any of these operations and assists actively with recruitment and with technical advice on training.

Government Training Centers are located in a number of communities and additional centers are planned. About one-third of the places are occupied by adults and the remainder by apprentices. Heavy emphasis is placed on training for engineering and related trades and for the construction crafts. Boys in the apprenticeship program normally are given a year of basic training at the Government Center before being placed with individual firms, where their period of trainng counts as part of their apprenticeship. Over the past 6 years, practically all of the boys completing their basic training havve been placed in industry.

Government financial and technical assistance is also available for training on employers' premises. In essence, the scheme provides for basic weekly training grants for adults for approved training periods ranging from 2 to 52 weeks. Ministry instructors may be seconded to firms where necessary, and there are other features to the program.

As of March 1971, nine Industry Training Boards had been established in Northern Ireland similar to those in Great Britain. (See Chapter IX.) The Boards have at their disposal the mechanism of levy and grant, but they have deferred introduction of the levy system pending surveys of training needs and the completion of pilot projects.

Unionism and Industrial Relations

In Northern Ireland, members of unions with headquarters in the United Kingdom numbered 243,000 in 1969, or about 46.6 percent of all wage and salaried workers, including the unemployed.

Over the period 1960–69, the number of workers involved in work stoppages averaged about 32,000 annually. The range during this

[11] The Ministry issued on Mar. 1, 1971, a useful collection of 12 short papers on "Manpower and Industrial Training Arrangements in Northern Ireland."

10-year period was from 12,500 workers in 1963 to 72,600 in 1962. The total loss in working days averaged 91,300 annually. On the average, therefore, each worker actually on strike during this decade lost less than 3 working days annually. Clearly most strikes were of short duration and most labor-management differences were ironed out without interruption to production.

The Government is keenly concerned with the maintenance of industrial peace, and its conciliation services are readily available to the parties when labor-management difficulties arise.

Appendix C. United Kingdom Decimal Currency

On February 15, 1971, Britain changed its currency from pounds, shillings, and pence (£s. d.) to a decimal system of pounds and pence. The value of the pound in terms of United States currency remained at US$2.40. Under the old system, 20 shillings, 12 pence to the shilling, or 240 pence in all, equalled one pound. Under the new decimal system, 100 pence equals one pound.

The officially announced conversion from the old to the new currency of amounts of less than one pound is shown in the accompanying table. Monetary values in the present study are expressed in the new currency. Conversion to the new currency of statistics published in £s. d. can be made readily by use of the table.

CONVERSION FROM OLD TO NEW BRITISH CURRENCY OF AMOUNTS UNDER ONE POUND

Old £sd	New £p	Old £sd	New £p	Old £sd	New £p	Old £sd	New £p	Old £sd	New £p	Old £sd	New £p	Old £sd	New £p	Old £sd	New £p	Old £sd	New £p
		2/-	10	4/-	20	6/-	30	8/-	40	10/-	50	12/-	60	14/-	70	16/-	80	18/-	90
1	½	2/1	10½	4/1	20½	6/1	30½	8/1	40½	10/1	50½	12/1	60½	14/1	70½	16/1	80½	18/1	90½
2	1	2/2	11	4/2	21	6/2	31	8/2	41	10/2	51	12/2	61	14/2	71	16/2	81	18/2	91
3	1	2/3	11	4/3	21	6/3	31	8/3	41	10/3	51	12/3	61	14/3	71	16/3	81	18/3	91
4	1½	2/4	11½	4/4	21½	6/4	31½	8/4	41½	10/4	51½	12/4	61½	14/4	71½	16/4	81½	18/4	91½
5	2	2/5	12	4/5	22	6/5	32	8/5	42	10/5	52	12/5	62	14/5	72	16/5	82	18/5	92
6	2½	2/6	12½	4/6	22½	6/6	32½	8/6	42½	10/6	52½	12/6	62½	14/6	72½	16/6	82½	18/6	92½
7	3	2/7	13	4/7	23	6/7	33	8/7	43	10/7	53	12/7	63	14/7	73	16/7	83	18/7	93
8	3½	2/8	13½	4/8	23½	6/8	33½	8/8	43½	10/8	53½	12/8	63½	14/8	73½	16/8	83½	18/8	93½
9	4	2/9	14	4/9	24	6/9	34	8/9	44	10/9	54	12/9	64	14/9	74	16/9	84	18/9	94
10	4	2/10	14	4/10	24	6/10	34	8/10	44	10/10	54	12/10	64	14/10	74	16/10	84	18/10	94
11	4½	2/11	14½	4/11	24½	6/11	34½	8/11	44½	10/11	54½	12/11	64½	14/11	74½	16/11	84½	18/11	94½
1/-	5	3/-	15	5/-	25	7/-	35	9/-	45	11/-	55	13/-	65	15/-	75	17/-	85	19/-	95
1/1	5½	3/1	15½	5/1	25½	7/1	35½	9/1	45½	11/1	55½	13/1	65½	15/1	75½	17/1	85½	19/1	95½
1/2	6	3/2	16	5/2	26	7/2	36	9/2	46	11/2	56	13/2	66	15/2	76	17/2	86	19/2	96
1/3	6	3/3	16	5/3	26	7/3	36	9/3	46	11/3	56	13/3	66	15/3	76	17/3	86	19/3	96
1/4	6½	3/4	16½	5/4	26½	7/4	36½	9/4	46½	11/4	56½	13/4	66½	15/4	76½	17/4	86½	19/4	96½
1/5	7	3/5	17	5/5	27	7/5	37	9/5	47	11/5	57	13/5	67	15/5	77	17/5	87	19/5	97
1/6	7½	3/6	17½	5/6	27½	7/6	37½	9/6	47½	11/6	57½	13/6	67½	15/6	77½	17/6	87½	19/6	97½
1/7	8	3/7	18	5/7	28	7/7	38	9/7	48	11/7	58	13/7	68	15/7	78	17/7	88	19/7	98
1/8	8½	3/8	18½	5/8	28½	7/8	38½	9/8	48½	11/8	58½	13/8	68½	15/8	78½	17/8	88½	19/8	98½
1/9	9	3/9	19	5/9	29	7/9	39	9/9	49	11/9	59	13/9	69	15/9	79	17/9	89	19/9	99
1/10	9	3/10	19	5/10	29	7/10	39	9/10	49	11/10	59	13/10	69	15/10	79	17/10	89	19/10	99
1/11	9½	3/11	19½	5/11	29½	7/11	39½	9/11	49½	11/11	59½	13/11	69½	15/11	79½	17/11	89½	19/11	99½

Selected Bibliography

Official Reports and Periodicals

Central Office of Information, *Britain 1970: An Official Handbook* (1970).
———, *Social Security in Britain* (1970).
———, *Social Services in Britain* (1969).
———, *Health Services in Britain* (1968).
———, *Education in Britain* (1966).
———, *Industry in Britain: Organisation and Production* (1967).
———, *Nationalised Industries in Britain* (1968).
———, *Industrial Training in Britain* (1967).
———, *Labour Relations and Conditions of Work in Britain* (1967).
———, *Trade Unions in Britain* (1969).
Central Statistical Office, *Monthly Digest of Statistics.*
———, *Economic Trends* (monthly).
———, *Annual Abstract of Statistics* (1970).
———, *National Income and Expenditure* (1970).
Commission on Industrial Relations, Report No. 9, *First General Report* (1970, Cmnd. 4417).
Department of Employment, *Department of Employment Gazette* (monthly).
———, *Time Rates of Wages and Hours of Work* (annual).
———, *Family Expenditure Survey* (annual).
———, *Report*, H.M. Chief Inspector of Factories (annual).
———, *Industrial Relations Handbook* (1961).
———, *A National Minimum Wage: An Inquiry* (1969).
National Board for Prices and Incomes, Report No. 36, *Productivity Agreements* (1967, Cmnd. 3311).
———, Report No. 65, *Payment by Results Systems* (1968, Cmnd. 3627).
———, Report No. 83, *Job Evaluation* (1968, Cmnd. 3772).
———, Report No. 107, *Top Salaries in the Private Sector and Nationalised Industries* (1969, Cmnd. 3970).
———, Report No. 132, *Salary Structures* (1969, Cmnd. 4187).
———, Report No. 161, *Hours of Work, Overtime and Shiftworking* (1970, Cmnd. 4554).
Royal Commission on Trade Unions and Employers' Associations, 1965–1968, *Report* (1968, Cmnd. 3623).
———, Research Papers:
No. 1, *The Role of Shop Stewards in British Industrial Relations.*
No. 5, *Trade Union Structure and Government.*
No. 6, *Trade Union Growth and Recognition.*
No. 7, *Employers' Associations.*
No. 10, *Shop Stewards and Workshop Relations.*

All of the publications listed in this section may be obtained through H.M. Stationery Office, London, or British Information Services, New York.

Books and Articles

Allen, G. C. *British Industries and Their Organization.* London: Longmans, 4th edition, 1959.

Atkinson, A. B. *Poverty in Britain and the Reform of Social Security.* Cambridge: Cambridge University Press, 1970.

Bain, George Sayer. *The Growth of White-Collar Unionism.* London: Oxford University Press, 1970.

Bayliss, Frederic Joseph. *British Wages Councils.* Oxford: Basil Blackwell, 1962.

Brown, E. H. Phelps. *The Growth of British Industrial Relations.* London: Macmillan, 1959.

———, with Browne, Margaret H., *A Century of Pay: the Course of Pay and Production in France, Germany, Sweden, the United Kingdom and the United States, 1860–1960.* London: Macmillan, 1968.

———, "Wage Drift," *Economica,* November 1962.

Caves, Richard E., and Associates. *Britain's Economic Prospects.* Washington, D.C.: Brookings Institution, 1968.

Flanders, Allan, and Clegg, H. A., editors. *The System of Industrial Relations in Great Britain.* Oxford: Basil Blackwell, 1954.

Flanders, Allan, editor. *Readings: Collective Bargaining.* Harmondsworth, Middlesex, England: Penquin Books, 1969.

Fox, Alan, and Flanders, Allan. "The Reform of Collective Bargaining: From Donovan to Durkheim," *British Journal of Industrial Relations,* July 1969.

Goodman, J. F. B., and Whittingham, T. G. *Shop Stewards in British Industry.* London: McGraw-Hill, 1969.

Lovell, J., and Roberts, B. C., *A Short History of the TUC.* London: Macmillan, 1968.

McCarthy, W. E. J., "The Nature of Britain's Strike Problem," *British Journal of Industrial Relations,* July 1970.

Organization for Economic Cooperation and Development, *Manpower Policy in the United Kingdom.* Paris, 1970.

Pelling, Henry. *A History of British Trade Unionism.* London: Macmillan, 1963.

Pollard, Sidney. *The Development of the British Economy.* London: Edward Arnold, 2nd edition, 1969.

Raynor, John. *The Middle Class.* London: Longmans, Green, 1969.

Robinson, Derek. *Wage Drift, Fringe Benefits and Manpower Distribution.* Paris: Organization for Economic Cooperation and Development, 1968.

Rose, E. J. B., and Associates. *Colour and Citizenship: A Report on British Race Relations.* London: Oxford University Press, 1969.

Routh, Guy. *Occupation and Pay in Great Britain, 1906–60.* Cambridge: Cambridge University Press, 1965.

Thomson, David. *England in the Twentieth Century, 1914–63.* Harmondsworth, Middlesex, England: Penquin Books, 1965.

Trades Union Congress. *The History of the TUC, 1868–1968.* London: TUC/Hamlyn, 1968.

———, *Economic Review,* 1971. London, 1971.

———, *Trades Union Congress: Structure and Development.* London, 1970.

Wedderburn, K. W., *The Worker and the Law.* Harmondsworth, Middlesex, England: Penquin Books, 1965.

Wigham, Eric L. *Trade Unions*, 2d edition. London: Oxford University Press, 1968.

Zweig, Ferdynand. *The British Worker*. Harmondsworth, Middlesex, England: Penguin Books, 1952.

The Division of Foreign Labor Conditions has also issued—Labor Law and Practice In:

Report number	Title	Price
357	Afghanistan (1969)	$0.35
344	Argentina (1968)	.65
328	Australia (1967)	.45
241	Austria (1963)	.40
372	Belgium (1970)	1.00
218	Bolivia (1962)	.30
337	Botswana (1968)	.40
309	Brazil (1967)	.45
264	Burma (1964)	.40
227	Ceylon (1962)	.35
339	Chile (1968)	.70
217	Colombia (1962)	.35
220	Costa Rica (1962)	.30
343	Dominican Republi (1968)	.50
242	Ecuador (1963)	.35
280	El Salvador (1964)	.30
298	Ethiopia (1966)	.40
325	Greece (1968)	.70
223	Guatemala (1962)	.25
324	Guyana (1967)	.35
244	Haiti (1963)	.40
189	Honduras (1961)	.30
371	Iceland (1970)	.50
303	India (1966)	.50
336	Indonesia (1968)	.50
276	Iran (1964)	.40
221	Iraq (1962)	.30
315	Israel (1967)	.60
320	Jamaica (1967)	.40
376	Japan (1970)	.65
322	Jordan (1967)	.45
361	Korea (1969)	.50
381	Laos (1970)	.60
304	Lebanon (1966)	.50
297	Libya (1966)	.35
274	Malaysia and Singapore (1965)	.55
240	Mexico (1963)	.45
282	Morocco (1964)	.45
258	New Guinea (1964)	.50
321	New Zealand (1967)	.60
265	Nicaragua (1964)	.50
387	Norway (1971)	1.00
271	Pakistan (1964)	.45
356	Panama (1970)	.65
338	Peru (1968)	.75
253	Philippines (1972)	(in process)
269	Saudi Arabia (1964)	.35
289	Spain (1965)	.50

Report number	Title	Price
285	Sweden (1964)	.40
268	Taiwan (1964)	.45
267	Thailand (1964)	.40
319	Trinidad and Tobago (1967)	.40
382	Trust Territory of the Pacific Islands (1970)	.40
294	Tunisia (1965)	.40
239	Turkey (1963)	.45
275	United Arab Republic (1965)	.50
270	U.S.S.R. (1964)	.50
392	Uruguay (1971)	1.00
386	Venezuela (1972)	.70
327	Viet-Nam, South (1968)	.40
250	Yugoslavia (1963)	.70
393	Zaire, Republic of	1.00